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Annual Town Report For The Fiscal Year Ending June 30, 2011

Gray (Me.). Town Select Board

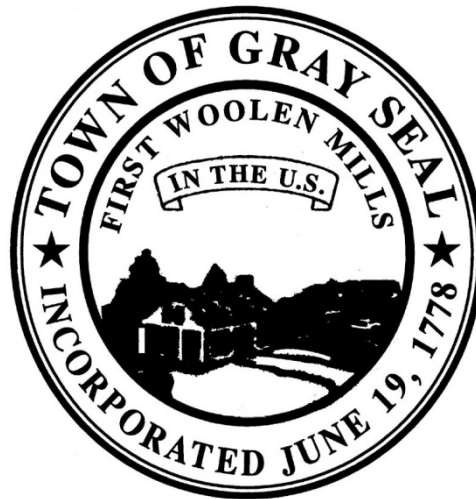
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**ANNUAL TOWN REPORT
FOR THE FISCAL YEAR ENDING
JUNE 30, 2011**



**GRAY
MAINE**

www.graymaine.org

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TOWN OFFICE CONTACTS

Department	Contact	Phone	Description of Service
Animal Control	Heather Phinney	831-1335	The Animal Control Officer provides domestic animal control services in the Town of Gray.
Buildings & Grounds	Ed Milose	657-3339	The Buildings & Grounds Department is responsible for the care & maintenance of the Town's buildings & grounds.
Code Enforcement	Ryan Keith	657-3112	The Code Enforcement Officer is responsible for code enforcement & inspections. Permits are also issued from this office.
Community Television	Brian Meehan	657-5898	The Community Television Department handles all video broadcasts on the local community television station, Channel 2 (GCTV2) serving Gray & reaching into New Gloucester.
Fire & Rescue	Galen Morrison	657-3931	Gray Fire-Rescue provides 24-hour fire & medical emergency support to Gray residents.
General Assistance	Pamela Edson	657-3339	The Town provides general assistance to Gray residents who qualify. Applicants must make an appointment and fill out a GA application.
Library	Marie Morey	657-4110	The Public Library offers library materials & services to Gray & New Gloucester town residents without charge.
Planning	George Thebarger	657-3112	The Town's planning office oversees land use planning, engineering, code enforcement, zoning & variance to the town's zoning law and subdivision review in Gray. It also maintains records on building permits, building plans & subdivision and site plans.
Public Works	Steve LaVallee	657-3381	The Public Works Department is responsible for the care & maintenance of Gray's infrastructure.
Recreation	Dean Bennett	657-2323	The Recreation Department offers leisure & recreational opportunities to the residents of Gray & New Gloucester.
Recycling & Solid Waste	Randy Cookson	657-2343	The Transfer Station / Recycling Center is available for use by Gray residents only. A current transfer station sticker is required for use.
Registrar of Voters	Deborah Cabana	657-3339	The registrar of voters is responsible for maintaining the voter registration list & registering new voters in the Municipality.
Tax Assessing	Helen Taylor	657-3112	The Tax Assessor is responsible for tax assessment. Homestead Exemption & Veterans Exemption applications are available at the Tax Assessor's office.
Town Administration / Town Manager	Deborah Cabana	657-3339	The day to day administration of all town services is managed by the Town Manager, who is appointed by the Town Council
Town Clerk / Tax Collector	Deborah Cabana	657-3339	The services performed in the Town Clerk's office include vehicle registration, property taxes & vital records.
Town Building Administrator	Doug Webster	657-3112	The Town Building Administrator plans and oversees improvements and major changes to Town-owned buildings.
Town Controller/Finance Department	Cathy Markavich	657-3339	The Town Controller is responsible for municipal accounting & financial functions.

Town Office Hours

Monday-Wednesday: 8:30 AM - 4:00 PM

Thursday: 8:30 AM - 6:30 PM

Friday: 8:30 AM - Noon

TOWN OFFICE EXTENSIONS
657-3339

Extension	Name / Room
101	Deborah Cabana, Town Manager
102	Michelle Jackson, Admin. Assistant
103	Cathy Markavich, Finance
104	Elizabeth Bullen, Deputy Clerk
105	Judy Rand, Deputy Clerk
106	Pamela Edson, Deputy Clerk & General Assistance
108	Front Counter Clerks Area
110	Tracy Scheckel, Admin. Assistant
111	Doug Webster, Building Administrator
112	Helen Taylor, Tax Assessor—replaced by John Brushwein
113	Ryan Keith, Code Enforcement—replaced by Tom Markley
114	George Thebarga, Economic Development—replaced by Beth Humphrey
115	Front Counter Clerks Area
116	Brian Meehan, Community Television
117	Dean Bennett, Recreation Director
118	Debbie Nickerson, Recreation Admin. Asst.
119	Safe / File Room
120	Kitchen
121	Board / Committee Room
122	Matt Thompson, Sheriff
125	Roger Dehetre, Asst. Recreation Director

BOARDS & COMMITTEES
2010-2011
Town Council [3 Years – 5 Members]

Name	E-Mail	Address	Phone Numbers	Term Started	Term Expires
Peter Gellerson	pgellerson@graymaine.org	1 Brad's Way	428-3739	2008	2011
Mark D. Grover	mdgrover@graymaine.org	26 Johnson Rd.	428-3372	2008	2011
Matt Sturgis	msturgis@graymaine.org	8 Glen Cove Rd.	657-2190	2009	2012
Margaret Hutchins	mhutchins@graymaine.org	192 Center Rd.	657-2135	2009	2012
Matt Doughty	mmmd@portlandmaine.gov	66 Taylor Ln.	310-8172	2010	2013

Board of Assessment Review [3 YEARS – 3 MEMBERS]

Name	E-Mail	Address	Phone Numbers	Term Started	Term Expires
Vacant					2011
Vacant					2012
Vacant, Chair					2013

Council Liaison: Matt Sturgis

Charles Barker Scholarship Committee [Unlimited Term – 4 Members]

Name	E-Mail	Address	Phone Numbers	Term Started	Term Expires
Audrey Burns	Aburns3775@earthlink.net	84 Mountain View Rd.	428-3775		
Ann Cobb, Chair		105 Cambell Shore Rd.	428-3668		
Vacant					
Vacant					

Council Liaison: Margaret Hutchins

Community Economic Development Committee [3 Years – 7 Members/2 Alternates]

Name	E-Mail	Address	Phone Numbers	Term Started	Term Expires
Lewis Mancini, Vice Chair	ldmancini@hotmail.com	137 Shaker Rd.	657-2725	2008	2011
Lance Tlumac, Jr.	tlumal@mmc.org	117 West Gray Rd.	657-4115 H.		2011
Richard F. Barter (Alt.)	rbarter@maine.rr.com	22 Hancock St.	657-3724		2011
Edward C. Libby, Chair	elibby@vertafore.com	11 Eastfield Dr	221-3529 C.		2012
Vacant	tksdesignstudio@maine.rr.com	PO Box 1323	657-6154		2012
Vacant (Alt.)					2012
Frederic (Rick) Licht	rlight@securespeed.net	35 Fran Circle	428-3368	2010	2013
Anne B. Gass, Secretary	agass@maine.rr.com	232 N. Raymond Rd.	657-4935		2013
Don Hutchings	meloonstheflorist@yahoo.com	9 George Perley Rd.	657-4338		2013

Council Liaison: Peter Gellerson

Dry Mills Schoolhouse Museum Committee [3 Years – 7 Members/2 Alternates]

Name	E-Mail	Address	Phone Numbers	Term Started	Term Expires
Jennifer Dupuis, Acting Chair	Panda68@maine.rr.com	PO Box 1058	657-3649 H.		2011
Christina Kuchinski	Moose17@maine.rr.com	107 Lawrence Rd.	428-3121 H.		2011
Vacant (Alt.)					2011
Audrey T. Burns	aburns3775@earthlink.net	84 Mtn. View Rd.	428-3775	2009	2012
Charlena C. Walker	Cwalker2@maine.rr.com	PO Box 254	657-4811		2012
Vacant (Alt)					2012
Vacant					2013
Vacant					2013

Vacant					2013
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Council Liaison: Mark Grover

Finance Committee [3 Years –3 Members]

Name	E-Mail	Address	Phone Numbers	Term Started	Term Expires
Peter Gellerson	pgellerson@graymaine.org	1 Brad's Way	428-3739		2011
Vacant					2012
Vacant					2013

Grange No. 41 – Scholarship Fund Committee – [3 & 5 Year Term – 5 Members]

Name	E-Mail	Address	Phone Numbers	Term Started	Term Expires
Vacant					2011
Vacant					2012
Gordon Kimball		107 Yarmouth Rd.	657-3242	2005	2013
Vacant					2013
Vacant					2013

Council Liaison: Matt Doughty

Gray Water District – [5 Years – 5 Members]

Name	E-Mail	Address	Phone Numbers	Term Started	Term Expires
Ben Mott		4 Collyer Brook Rd.	657-2394		2011
Steven Dunn		32 Shaker Rd.			2012
Bruce Sawyer		18 Yarmouth Rd.	657-3871		2013
Vacant		PO Box 222	657-3452		2014
M. Joseph Murray		213 Shaker Rd.	657-3034		2015

Library Board of Trustees – 3 Years – 5 Members/2 Alternates

Name	E-Mail	Address	Phone Numbers	Term Started	Term Expires
Jody Fein, Treasurer	jfein28@earthlink.net	28 Mountain View Rd.	428-3986 H.	2008	2011
Glenn L. Walton, Chair	waltonwords@aol.com	36 Ambrose Circle	657-5959 H.	2008	2011
Margaret Hathaway Schatz, Secretary	margaret@yearofthegoat.net	241 Yarmouth Rd.	657-7880 H.	2008	2012
Boe Hamilton	gpltrustees@gmail.com	PO Box 591	221-2645 (unlisted)	2006	2012
Stephen Arsenault (Alt.)	arsenault@securespeed.net	52 Colley Hill Rd.	657-5303 H.	2009	2012
Joyce M. Burrow	joyceburrow@securespeed.net	33 Pleasant View Dr.	428-3483	2007	2013
Richard Barter (Alt.)	rbarter@maine.rr.com	22 Hancock St.	657-3724	2010	2013

Council Liaison: Mark Grover

Local Energy Conservation Committee

Name	Email	Address	Phone Numbers	Term Expires
David W. Knudsen	dwknudsen@securespeed.net	23 Summit Rd	657-4479	TBD
Vacant				
Sam Eldridge	paintball060@yahoo.com	117 Elderberry Ln., New Gloucester	221-2958 H. 899-3771 C.	TBD
Peter Reaman	preaman@msad15.org	10 Libby Hill Rd.	846-5197 H. 657-3323 W.	TBD
Carly Price	carlyprice16@aol.com	8 Stephens Ave.	221-3570	TBD

Planning Board – [3 Years – 5 Members/2 Alternates]

Name	E-Mail	Address	Phone Numbers	Term Started	Term Expires
Rodney S. Boyington, Chair	somesitework@msn.com	33 Long Hill Rd.	657-6111 H.	2005	2011
Don Hutchings, Vice Chair	melonstheflorist@yahoo.com	9 George Perley Rd.	657-4338 H.	2005	2011
John Redlon	jredlon3@yahoo.com	PO Box 415	428-3402 H.		2012
Vacant (Alt.)					2012
Dan Cobb	dancobb@maine.rr.com	133 Cambell Shore Rd.	428-3968 H.		2013
Jason Wilson	gpbwilson@yahoo.com	PO Box 297	756-5348	2007	2013
Vacant (Alt.)					2013

Council Liaison: Peter Gellerson

Public Safety Committee – [3 Years – 7 Members, 2 Alternates]

Name	E-Mail	Address	Phone Number	Term Started	Term Expires
Dick Wood		322 Mayall Rd.	657-3922	2005	2011
Gary Wood	gswood@securespeed.net	19 Wood Drive	657-2816	2005	2011
Vacant					2011
Audrey Burns, Chair	Aburns3775@earthlink.net	84 Mountain View Rd.	428-3775		2012
Vacant					2012
Vacant (Alt.)					2012
Shaun Hadlock	ShaunD431@live.com	PO Box 335	653-2633	2010	2013
Vacant					2013
Vacant (Alt.)					2013

Ex-Officio Members (Non-voting):

Galen Morrison - Public Safety Director; Lieutenant Ron Harmon - Maine State Police; Margaret Hutchins - Council Liaison

Recreation & Conservation Committee – [3 Years – 7 Members/2 Junior Members/2 Alternates]

Name	E-Mail	Address	Phone Numbers	Term Started	Term Expires
Vacant [non-voting Junior member from New Gloucester]					2011
Vacant [non-voting Junior member from Gray]					2011
Vacant					2011
Robert Hubbard	Rottwylr@maine.rr.com	22 Granite Ridge Rd.	926-5799 H.		2011
Aaron Chandler	aj411@securespeed.us	5 Richards Way	799-8111	2010	2011
Bruce Macomber	firstchoicebruce@maine.rr.com	613 Shaker Rd.	926-4634 H.		2012
Vacant					2012
Leo Credit (Alt.)	Lcredit@grayptcenter.com	23 White Dove Dr., New Gloucester, ME 04260	657-5600 W.	2009	2012
Jeffrey P. Gilpatric	jpghandyman@maine.rr.com	45 Lawrence Rd.	428-3100	2010	2013
Anne Tricomi	act@portlandmaine.gov	134 Congress St			2013
Vacant (Alt.)					2013

Ex-Officio Members (Non-voting):

Dean Bennett - Park & Recreation Director; Matt Sturgis - Council Liaison

Solid Waste and Recycling Committee – [3 Years – 7 Members/2 Alternates]

Name	E-Mail	Address	Phone Numbers	Term Started	Term Expires
Peter Thoits	petethoits@maine.rr.com	282 Shaker Rd.	657-4184 H.		2011
Vacant					2011
Vacant					2011
Glenn M. Vadas	mikevadas@hotmail.com	130 Dutton Hill	657-3847 H.		2012
Jewel McHale	cgossell@maine.rr.com	154 Yarmouth Rd.	657-6092 H.	2006	2012
Vacant (Alt.)					2012
Karl G. Shatz	karl@tenapplefarm.com	241 Yarmouth Road	657-7880	2011	2013
Vacant					2013
Vacant (Alt.)					2013

Ex-Officio Member (Non-voting):

Randy Cookson - Solid Waste Director; Margaret Hutchins - Council Liaison

Street Construction Ordinance Review Committee – [7 Members]

Name	E-Mail	Address	Phone Numbers
Vacant			
David W. Getchell, Sr.	dgetchsr@maine.rr.com	2 Arundel Rd., Raymond	655-6025 H.
Richard Tibbetts	ratibb@maine.rr.com	18 Graystone Rd.	657-3007 H.
David W. Knudsen	dwknudsen@securespeed.net	23 Summit Rd.	657-4479
Wayne T. Wood	wtwco@securespeed.net	30 Wood Drive	657-3330
Vacant			
Vacant			

Ex-Officio Member (Non-voting):

George Theborge – Economic Development Director; Steve LaVallee – Public Works Director; Larry Bastian – Gorrill & Palmer, Rep.; Matt Doughty – Council Liaison

Zoning Board of Appeals – [3 Years – 5 Members/2 Alternates]

Name	E-Mail	Address	Phone Numbers	Term Started	Term Expires
Kathy Wood, Chair	wtwco@securespeed.net	30 Wood Drive	657-3330 W.	2005	2011
Vacant (Alt.)					2011
Debby Flanigan	dflanig1@maine.rr.com	317 Center Rd	657-5455 H.	2006	2012
Vincent Palange II	vpalange@aol.com	28 Poplar Ridge Rd	428-4027 H.	2006	2012
Barry Watson, Vice Chair	bwatson1@maine.rr.com	124 Lewiston Rd.	657-4137	2007	2013
Vacant					2013
Vacant (Alt.)					2013

Council Liaison: Peter Gellerson

Other Committees & Boards

ECOMaine

Gary Foster – expires 7/1/2012

Council Liaison/Appointments to 3rd Party Boards

Greater Portland Council of Governments Community Development Block Grant	Matt Sturgis, Mark Grover (Alt.)
Central Corridor Coalition People's Regional Opportunity Program	Matt Doughty Matt Sturgis, Mark Grover
General Assistance Fair Hearing Authority	TBD
Gray-New Gloucester Business Development Corp	Matt Doughty, Peter Gellerson, Mark Grover
Council for Public Health	Peter Gellerson
Pineland Representative	TBD
	Matt Sturgis, Matt

M.S.A.D. No. 15 – Board of Directors

Town of Gray

Anne Rowe	378 Mayall Rd.	657-4056		2011
Tami Plummer	20 North Shore Rd.	657-4632		2011
Tina Martell	16 Lorraine Dr.	657-5025		2012
Sandy MacDonald	81 Birchwood Rd.	428-3886		2012
Sheryl Robinson	51 No. Raymond Rd.	317-1394		2013
Will Burrow	33 Pleasant View Dr.	428-3483		2013

Town of New Gloucester

Alan Rich	329 Cobbs Bridge Rd.	926-4026		2013
Micah Malloy	946 Mayall Rd.	926-4745		2013
Kathleen Potter	P.O. Box 200	926-5079		2012
David Sutherland	182 Intervale Rd	926-3558		2012
Gary Harriman	269 Woodman Hill Rd.	926-4361		2011

Gray Cemetery Association

President	Robert Sawyer	657-4909	
Vice President	Norman Wilson Chris Stilkey, D.C.		
Sexton	Stilkey & Sons	865-3940	dcstilkey@suscom-maine.net
Secretary/Treasurer	Barbara Pollard	657-3378	
Trustees	Donald Whitney; Wilma Wilkinson; Bruce Sawyer; Gwendolyn Pollard; Galen Morrison		

Gray Historical Society

President	Don Whitney	329-3012 (cell)	dobewhitney@yahoo.com
Treasurer	Nancy True	657-2661	
Board Chair	Donnell P. Carroll		
Secretary	Peg Wilson		

Elected Officials Serving Gray, 2010-2011			Term Expires	Telephone
Town Councilors				
Matt Sturgis, Chair	8 Glen Cove Rd.	Gray, ME 04039	2012	657-2190
Margaret Hutchings	192 Center Rd.	Gray, ME 04039	2012	657-2135
Matt Doughty	66 Taylor Ln.	Gray, ME 04039	2013	610-8172
Lewis Mancini	PO Box 1196	Gray, ME 04039	2014	657-2725
Richard Barter, Vice Chair	22 Hancock St.	Gray, ME 04039	2014	657-3724
Gray Water District				
Steven Dunn	32 Shaker Rd.	Gray, ME 04039	2012	
Bruce Sawyer	18 Yarmouth Rd.	Gray, ME 04039	2013	657-3871
Ralph Wink	PO Box 222	Gray, ME 04039	2014	657-3452
M. Joseph Murray	213 Shaker Rd.	Gray, ME 04039	2015	657-3034
Ellen Errington	139 Depot Rd.	Gray, ME 04039	2016	657-4088
M.S.A.D. #15 Board of Directors				
Tina Martell	16 Lorraine Dr.	Gray, ME 04039	2012	657-5025
Sandy MacDonald	81 Birchwood Rd.	Gray, ME 04039	2012	428-3886
Sheryl Robinson	51 No. Raymond Rd.	Gray, ME 04039	2013	317-1394
Will H. Burrow	33 Pleasant View Dr.	Gray, ME 04039	2013	428-3483
Anne Rowe	378 Mayall Rd.	Gray, ME 04039	2014	657-4056
Tod Bagetis	38 Mayberry Rd.	Gray, ME 04039	2014	807-4844
Kathleen Potter	PO Box 200	New Gloucester, ME 04260	2012	926-5079
David Sutherland	182 Intervale Rd.	New Gloucester, ME 04260	2012	926-3558
Alan Rich, Chair	329 Cobbs Bridge Rd.	New Gloucester, ME 04260	2013	926-4026
Micah Malloy	946 Mayall Rd.	New Gloucester, ME 04260	2013	926-4745
Gary Harriman	269 Woodman Rd.	New Gloucester, ME 04260	2014	926-4361
State Senator				
Richard Woodbury	174 Oakwood Dr.	Yarmouth, ME 04096	2012	287-1505

State Representatives				
Anne Graham (District 109)	97 Farms Edge Road	North Yarmouth, ME 04097	2012	846-0049
Mark E. Bryant (District 110)	166 Albion Rd.	Windham, ME 04062	2012	892-6591
Governor				
Paul LePage	The State House	Augusta, ME 04333	2010	287-3531
County Commissioner				
Susan Witonis (District 3)	142 Federal St.	Portland, ME 04101	2015	871-8380
Representative to Congress				
Chellie Pingree (District 1)	2 Portland Fish Pier, Suite 304	Portland, ME 04101	2013	774-5019
United States Senators				
Olympia J. Snowe	154 Russell Senate Office Building	Washington, DC 20510	2012	1-800- 432-1599
Susan Collins	413 Dirksen Senate Office Building	Washington, DC 20510	2012	1-202- 224-2523
President of the United States				
Barack H. Obama	The White House	Washington, DC 20500	2012	1-202- 456-1414
In addition, the County has an elected sheriff, register of probate, judge of probate and district attorney.				

TOWN COUNCIL

Citizens of Gray,

It is my pleasure to report to you on the activities of the Gray Town Council for the fiscal year ending on June 30, 2011. It has been such a pleasure to have the use of the council chambers in the new town hall in the Henry Pennell Municipal Complex since September of 2010. I cannot begin to tell you how much we did not miss the cold and noisy council chambers at Stimson Hall. What a pleasure it is to walk into town hall now with its Memory Walk, interesting plaques, soft lighting, and great acoustics and be surrounded with the memories of Henry Pennell's great gift to the Town of Gray in 1880. Thanks to all the staff and volunteers who helped make the rededication of the building on July 24, 2010, such a special day to remember.

This year's town council was composed of Matt Doughty (newly elected in June of 2010), Mark Grover, Margaret Hutchings, Matt Sturgis and myself. We were guided and advised by Deborah Cabana, who completed her fourth year as town manager. The town council continues to be grateful to have such a fantastic town staff to rely upon to aid its citizens in municipal matters, to encourage its children in athletic and recreational endeavors, to aggressively recycle its increasingly valuable waste stream and to properly maintain and plow its numerous roads. Thanks to each and every one of you for representing the Town of Gray so ably.

Each year the big effort of the town manager and the town council is to draft and review the municipal budget for the upcoming fiscal year. We worked diligently to attempt to keep costs down and any increase in the mil rate small. This coming year's budget as drafted increases the mil rate by a nickel, while maintain all the existing services offered by the Town of Gray currently. I'm certain every town council

agonizes over making numerous difficult choices of where to spend the resources of the town to make the services offered to its citizens better, without increasing the mil rate, but it is a effort that does not seem to get any easier as time marches on.

The town council acted on a wide range of issues this past year. One of the more interesting ones was the establishment of the Gray Hall of Fame, which Councilor Grover advocated for and which will be jointly administered by the Gray Historical Society and the current Town Council. The Gray Hall of Fame will be part of Town Hall and will honor deceased citizens who have contributed greatly in their lifetime to the betterment of the Town of Gray.

In addition, the Town Council worked, with the help of George Theborge, to utilize previously awarded Community Development Block Grant monies to fund the construction of a brick sidewalk from Brown Street up to the new town hall. Voters in June of 2011 approved funding this sidewalk expenditure.

During the past year the town council supported extending the TIF for Northbrook, sending it for citizen review at a special town meeting where it was approved. In addition, the town council worked on the difficult issue of what should be done with the three town owned properties on Shaker Road consisting of Stimson Hall, the old town and the old post office building. The Community Economic Development Committee worked on the so-called Monument Square planning to solicit ideas and thoughts on what best to do with these three properties. The town has had these properties listed for sale for the past two years with very limited interest in them being generated. That effort continues under the new town council.

Mundane matters always are a part of the town council's yearly duties. The adoption of the comprehensive street construction ordinance

was an important one as it gives the public works director control over street openings, driveway locations and road construction details with the town. Likewise was the progress made on adopting a marijuana cultivation ordinance, following up on the statewide passage of medical marijuana approval by voters in November of 2010. With the advocacy of the Community Economic Development Committee and town staff, funding for two electronic message boards and a Welcome to Gray Village sign were approved by voters in June of 2011. The electronic signs, one at Town Hall and one at the Central Fire Station will help to keep citizens better informed of events that affect their lives.

In closing, as I leave the town council after serving as its chairman for the past three years, I want to thank my fellow councilors over those three years for their help and support. I especially want to thank Mark Grover, who joined the town council with me in 2008 and who leaves with me, for his dedicated effort on behalf of the citizens of Gray. Mark was tireless in advocating for things he believed in, especially when it came to seeking public opinion on the topics of the day.

Respectfully submitted,

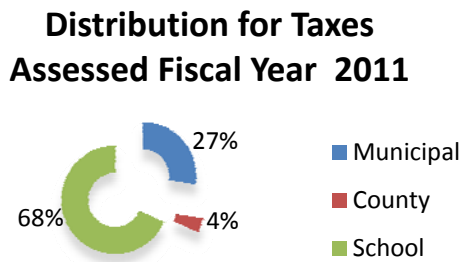
Peter B. Gellerson
Chairman, Gray Town Council

Gray Town Manager Annual Report Fiscal Year 2011

Greetings to All Gray Citizens;

I am pleased to present the Town of Gray's Annual Report for the 2011 Fiscal Year. This report provides a summary of the highlights and accomplishments of the past year, as well as a snapshot of the Town's financial standing. While it does not include everything that the Town Government accomplished, it does provide an overview of what has been achieved.

As reflected on your annual tax bill the chart below exhibits the revenue distribution for FY 2011 Taxes collected.



Gray continues to experience progression; this past year was particularly active. Construction was completed on the Henry Pennell Municipal Complex.

Highlights for the Town of Gray:

- Coordination and move into the Henry Pennell Municipal Complex.
- Negotiated a 10 year agreement with Time Warner Cable TV.
- Partnered with Efficiency Maine to implement the PACE program that is utilized to provide attractive home energy improvement financing to our residents.
- Applied for and was granted a CDBG Grant for reconstruction of sidewalks on the east side of Main Street.

Highlights for the Town of Gray:

- Currently the Town of Gray accepts most major Credit Cards.
- Amended the Northbrook TIF.
- Implemented the Energy Audit for Municipal Buildings, in an effort to reduce the costs of operations in the buildings.
- Hosted the Monument Square Master Planning Project.
- The Retirement of Ronna Budd after eleven years of service.
- Several New Employees joined the Town of Gray:
 - Debbie Nickerson – Administrative Assistant to the Parks & Recreation Director.
 - Galen Morrison- Fire Chief.

- Tracy Scheckel- Administrative Assistant for Community Development.

It is intended that the Town of Gray will undertake initiatives to maintain safe and healthful working conditions and facilities, develop safe operating procedures, and utilize its financial and personnel resources to achieve a loss free environment of our employee for our employees and for the public.

With the strong leadership and support of the Town's elected officials, we will continue to build on the highlights and accomplishments of 2011, and create an even brighter future.

Our local government is an extension of the Citizens. Citizen Participation is vital to our democracy.

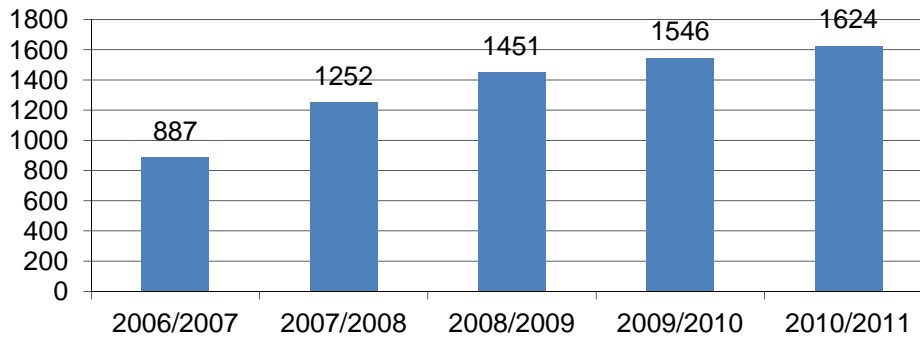
Respectfully submitted,
Deborah Cabana, Town Manager

I would like to express my appreciation to Elizabeth Bullen and the Town Office staff for coordinating this Annual Report.

TOWN CLERK

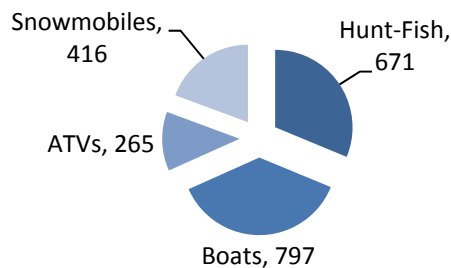
The Gray Town Clerk's Office is an agent of the Bureau of Motor Vehicles and is authorized to issue new registrations and registration renewals to residents of Gray. Vehicles may also be renewed online at www.informe.org/bmv/rapid-renewal/

Online Motor Vehicle Registrations www.informe.org/bmv/rapid-renewal/

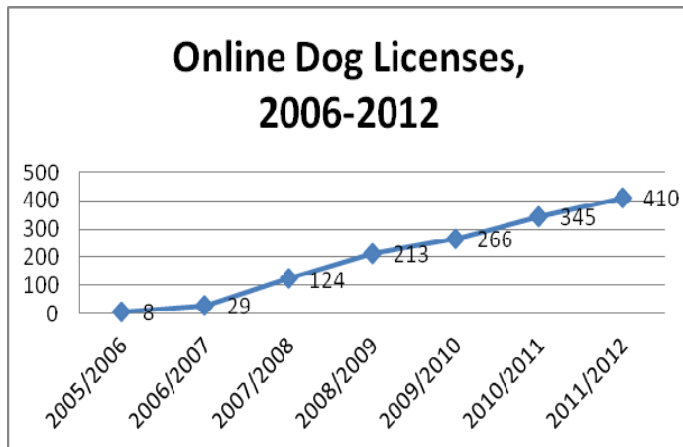


Inland Fisheries & Wildlife (IF&W) boat, snowmobile and ATV registrations, and hunting and fishing licenses may be purchased at the Town Clerk's Office. Online registration renewals and licenses may be obtained through www.graymaine.org or at www.maine.gov

IF&W Licenses & Registrations 2010/2011



State law requires all dogs aged 6 months or older to be licensed in the State of Maine. Dogs can be licensed at the Gray Town Office in person or online (October 15-January 31) at https://www10.informe.org/dog_license/. Fees for neutered / spayed dogs are \$6 per year, while Non-neutered / non-spayed dogs are \$11 per year. All dogs must be licensed no later than December 31st of each year and a \$25 late fee will be charged beginning February 1st.



Did you know that...?

🐾 “Bailey” is the most popular dog name in Gray, followed by the name “Molly”?

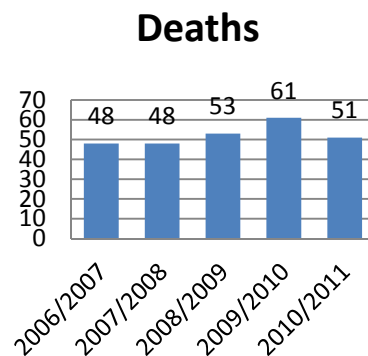
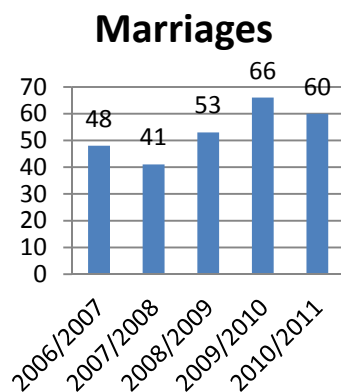
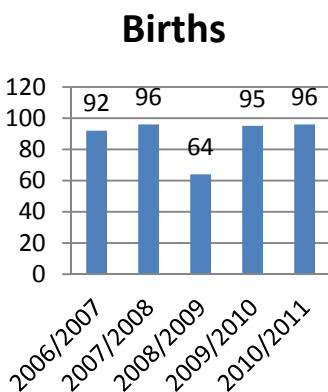
🐾 The most popular dog breed in Gray is the Labrador Retriever, followed by the Golden Retriever?

By licensing your dog, YOU are directly helping the fight against animal cruelty and abuse. Up to 90% of the dog license fees collected go directly to the State of Maine Animal Welfare Program to support cruelty investigation. Licensing your dog also helps to insure public safety by requiring proof of a valid rabies vaccination before a license is issued.

The Town of Gray held a Rabies & Dog Licensing Clinic on Sat., Nov 20, 2010 at the Gray Public Safety Building. The Gray-New Gloucester Animal Clinic provided rabies shots for \$10 each and Tsukroff Photography offered pet portraits for \$10—with \$2 donated to Caring Community and \$2 donated to the Animal Refuge League. A total of 24 dogs were licensed, compared to 11 the year before.

During the past year, the Town Clerk’s Office began to accept credit cards. We anticipate Gray residents being able to pay for property and real estate taxes online in July 2011.

The Town Clerk’s Office is responsible for recording all births, deaths, and marriages that occur within the town or if the person or persons are residents of the town.

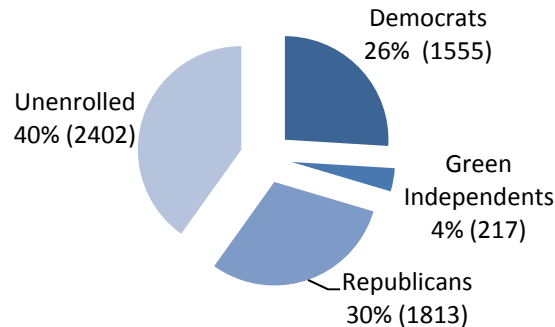


-- Compiled by Elizabeth Bullen, Pam Edson & Judy Rand

ELECTIONS

The Registrar of Voters at the Town Clerk's Office is responsible for voter registration; maintenance of the voting list; and the administration of elections.

Registered Voters in Gray As of Nov. 2, 2010



November 2, 2010: General Election

Registered Voters: 5829

Number of Voters: 3636

Voter Turnout: 62%

Number of Absentee Ballots Issued: 886

June 14, 2011: Municipal Election

- 2 Town Councilors
- 2 School Board Members
- 2 Gray Water District Members

Number of Voters: 479

Number of Absentee Ballots Issued: 45

Elections Require the Work of Many Volunteers—Thank You!

We would like to recognize and thank all those citizens who took time out of their busy lives to serve as election officials in 2010 & 2011. The success of our elections relies upon the dedication and work of our election workers.

Special thanks to: Debbie Botkin, Judith Burnham, Audrey Burns, Joyce Burrow, Pat Dunn, Robin Feehan, Linda Ferri, Terry Lacarrubba, Ann Morse, Jane Pease, Richard Sawyer, Pat Schlegel, Pat St. Pierre, Sue Trudel, Susan Tsukroff, Carol West, David Whitney, Ruby Whitney, John Wibby Jr. and Janet Wilson.

TOWN BUILDING ADMINISTRATOR

The Pennell Alumni deserve the Town's gratitude for ensuring that the renovations struck the delicate balance between historically appropriate and more modern practicalities. The Alumni's dedication to providing the necessary funding for the irreplaceable 1800's vintage "Howard Round Top" clock will allow future generations to view the fully operational clock-works.

The Town Office Building Committee (TOBC) was created by the Town Council in December of 2008 to provide oversight and policy recommendations to the Council for the renovations. This diverse group of dedicated residents volunteered their time to be the sounding board for a wide spectrum of decisions that, in totality, had a profound impact on the project. TOBC members consistently demonstrated their ability to focus on common goals and make timely, well thought out decisions. I enjoyed working with such a diverse, motivated, and well-rounded group.

Based on a recommendation from the TOBC, the architectural firm of Lewis & Malm from Bucksport was hired as the designer for the project. Zachau Construction of Freeport, the general contractor for the renovations, worked tirelessly with the Town to complete the job on time and under budget. Bruce Hilfrank, and particularly Mike Packard, ensured that

the level of craftsmanship was maintained throughout the project.

Several TOBC members began their efforts to transform Pennell while on the CEDC including the following; Jeanie Carpentier, Don Hutchings, Lew Mancini, and Ralph Wink. Don Hutchings, TOBC vice-chair, worked tirelessly to coordinate the many logistics for the well attended re-dedication celebration held in July of 2010 including the time capsule and the brick walk. Ralph Wink, TOBC chair, selflessly devoted countless hours providing critical policy guidance throughout the project. Ralph's leadership and steadfast commitment provided the framework to successfully transform Pennell into the new Town Hall.

Lastly, and most importantly, I would like to thank the people of Gray for approving the bond. Without the residents' support, the Town would not have been able to undertake the renovations and the fate of Pennell would have been cloudy at best. Although the logistics were occasionally challenging, it was genuine pleasure to renovate Pennell for the Town and I thank the residents, Council, and Manager for the opportunity.

May Pennell serve the Town for another 130 years!

Doug Webster

TAX ASSESSOR

Greetings,

For fiscal year ending June 30, 2011, it has been a pleasure working in the Assessor's Office located in the newly renovated Pennell building. I would invite all taxpayers to tour the building if you have not already seen it. It is a complex to be proud of.

If you should have any questions on the assessment of your property, please give me a call or come in to see me. I firmly believe that every taxpayer should know how his property is assessed. Sales of new and existing homes have been on the decline again this year and unfortunately there are still foreclosure notices looming.

A big accomplishment in the assessing office this year is the renumbering of map and lot numbers to coincide with the GIS Maps we have used since 1998. The next big project is to rearrange and renumber our files to match. Our assessing information and tax maps are available on the Town's

web site www.graymaine.org. The link to the Aerial Parcel Viewer is hosted by Greater Portland Council of Governments and the current aerial photos are from 2001.

Homestead Exemption and Veterans Exemption applications are available at the Assessor's Office, or can be downloaded from the web site, and will be processed according to eligibility requirements. You only need to apply once, but it is important to remember that the deadline for filing is April 1st, 2012 to be eligible for the 2011-12 fiscal year. The filing deadline for the Circuit Breaker Program (Rent & Tax Refund) is May 31, 2012. Applications may be downloaded from this web site www.maine.gov/revenue/forms/homepage.html, or call 1-207-624-7894 to request an application.

Respectfully Submitted,

Helen R. Taylor, CMA
Assessor

CODE ENFORCEMENT OFFICE

Hello again another great year has come and gone. The Town of Gray is continuing to grow with several new homes being added this year. Even with the hard economic times, lots of great progress is being made. A total of 24 new dwelling units were permitted, 20 new single family homes and 2 duplexes. Garages, additional living space, decks, and pools continue to be the most popular additions to property. There have also been several small commercial

projects started or completed in the past year.

The totals are just a bit below those from the 2009-2010 fiscal year.

Building permits	181
Plumbing permits	97
Electrical permits	114
Shore land Zoning Permits	7

Statewide:

There are some significant changes that everyone should be aware of. On Jan 1, 2011 the State of Maine adopted the Maine Uniformed Building and Energy Code (MUBEC). This Code includes the 2009 International Building Code (IBC for commercial construction), the 2009 International Residential Code (IRC for One and Two Family residential construction), the 2009 IEBC (International Existing Building Code), and last but not least, the 2009 IECC (International Energy Conservation Code). All municipalities with more than 4,000 residents are automatically subject to MUBEC. Gray having topped 7,500 as of the last census is one of them. This is actually a good thing, it has contractors bidding work that is uniform and keeps everyone on an even playing field. In actuality, other than the new Energy Code, there are no real earth shattering changes, simply a move toward continuity.

The Energy Code, on the other hand, is something new and has been met with some question. I have been working diligently to educate homeowners and builders as to the benefits of the code. In the long run, the increased 'R Values' for insulation, and the advances in building science regarding the building envelop, serve to lower utility bills, provide more comfortable homes in both summer and winter, and reduce the carbon footprint.

Here in Gray:

We are planning at least one seminar in September 2011 for the public to come and learn about some very simple, inexpensive measures they can take to save on energy bills. Many measures can be taken without even hiring a contractor.

The Community Development Office, where Code Enforcement is located, is working to enhance the services we provide. Most of our permit forms are available on line, we have several publications either published or in the works to guide residents through the building process, and the Planning and Zoning Application processes.

Our own carbon footprint reduction initiative is soon to be underway. We are digitizing all the Code and Tax files in the office. When this project is complete, visitors to the town website will be able to view and print information from those files. Not only will we be saving paper and printing costs, digital access means that folks won't have to drive to town hall to get this information. We are striving for less paper, less gasoline usage, less carbon footprint, and more convenience for our citizens.

In closing I'd like to emphasize that we are here for your benefit. Your home is your single largest investment, we are here to see that your home is safe, energy efficient, and as healthy as possible for you and your family. We are happy to meet with you, by appointment please, to consult about ways to help improve the overall functionality of your home.

It has truly been a pleasure to serve the community throughout this year, and I look forward to continued interaction and collaboration in the years to come.

Sincerely,

Ryan Keith
Code Enforcement Officer
Town of Gray

COMMUNITY DEVELOPMENT

OVERALL ECONOMIC DEVELOPMENT STRATEGY

Gray's Comprehensive Plan contains a multi-pronged approach to fostering economic development. In addition to expanding the commercial tax base to provide relief for residents, economic development can improve the quality of life for citizens by revitalizing substandard properties and by expanding opportunities for local shopping and entertainment. Since 2007, the Town's community development programs have progressively increased efforts to bring about positive change through:

1. Revitalizing Gray Village;
2. Pursuing a new commercial center along the Gray Bypass; and,
3. Improving and expanding development along the Town's arterial corridors.

Bringing new and expanded development to Gray in a time of economic uncertainty, limited budgets, and intense competition with other communities requires that the Town cultivate partnerships with private development interests that have investment capital, State and regional organizations with grant monies, and local non-profits with volunteer networks to build community support.

The following projects the Community Development Department pursued in the past year followed this strategy of addressing multiple opportunities across the community and coordinating available resources to take advantage of those opportunities.

COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG)

Since 2007, Gray has developed one of the more successful CDBG programs in Cumberland County. Although eligible projects for this federal funding program are limited to Gray Village per the requirement that low to moderate income households benefit from the improvements, all citizens benefit from improvements to the downtown.

The Town successfully worked with owners of the "Clark Block" on Main Street to upgrade the building facades, install attractive brick and granite sidewalk, and ornamental street lighting along that historic and highly visible set of properties. A follow up project to install joint parking to serve those buildings on the abutting Dunkin' Donuts property fell through when the out-of-state corporation decided not to implement the complicated ownership and management arrangement needed and due to uncertainty over the future of their store.

The Town's flexibility and credibility with the Cumberland County CDGB program enabled it to transfer half (\$100,000) of the grant money for the Clark Block parking over to fund needed sidewalk and pedestrian crossing improvements on busy Main Street. Those pedestrian improvements are currently in the design phase and construction will start this fall.

MONUMENT SQUARE MASTER PLAN

The Town used another \$20,000 in CDBG funds to prepare a master plan for the block of buildings containing the former Town Hall, old Post Office, and Stimson Hall.

The Town has been trying to sell those properties for several years, and the master plan has created a vision for redevelopment of those strategic properties that will positively stimulate their sale to private developers. Before moving forward with a Request for Proposals (RFP) from developers however, the Town is seeking public input on the future of historic Stimson Hall and the larger block identified as “Monument Square” per the visual focal point and community icon at the corner.

In November of 2010 a community design workshop explored three questions:

1. What should the block look like in the future?
2. What uses are appropriate and desirable?
3. What level of involvement by the Town is needed?

Workshop participants that responded to the community-wide invitation developed a pretty clear consensus that the Town-owned properties should be used as assets and incentives to achieve a larger transformation of the block into an attractive and vibrant center of commercial and community activity. A broad range of public and private uses might be appropriate, but there is little consensus on what those uses should be. There was pretty strong input from participants that the Town needs to be actively involved in directing and supporting the redevelopment process.

The Community Economic Development Committee has prepared a conceptual master plan focusing on the Town-owned properties based on this input and is pursuing additional community input and is doing due diligence on the legal status and repair costs for Stimson Hall.

NORTHBROOK BUSINESS & INDUSTRY CAMPUS

In June of 2010, the Town opened negotiations with the developers of the NorthBrook Business & Industry Campus to develop a public-private partnership to restart development of the Town’s only business park and to expand opportunities for additional development in the land around NorthBrook designated in the Comprehensive Plan as a commercial growth area.

The Town Council signed a Letter of Agreement with NorthBrook in November to negotiate a Limited Development Agreement that would extend the NorthBrook Tax Increment Financing (TIF) District for 10 years to allow NorthBrook additional time to receive tax reimbursements for completing the park’s roads and utilities. The agreement would also transfer access easements using NorthBrook’s entrance on the Bypass that the Town could offer to developers interested in economic development. Added negotiated benefits for the Town were revenues to fund master planning and marketing efforts, sharing wastewater technology to address Gray’s lack of public sewers, and adding additional financial tools to attract new development.

At a special Town Meeting on March 29, voters approved the NorthBrook TIF extension and transfer of access rights but did not support funding for master planning and marketing of the area based on landowner indications that no development or sale of property will occur to warrant such efforts by the Town.

NARROW GAUGE RAILROAD MUSEUM

In October 2010 Gray submitted a proposal to the Maine Narrow Gauge Railroad Company & Museum to do a feasibility study for relocating the Museum from the Portland waterfront to Gray.

Redevelopment in Portland associated with the Ocean Gateway Terminal has elevated property values to the point that the non-profit museum is unable to compete for limited building and land spaces. Gray's proposal to explore opportunities along the Route 100 Corridor south of Gray Village along the old Interurban Railway was accepted by the organization's search committee and is being actively pursued with assistance from the Gray New Gloucester Development Corporation. If successful, the establishment of the Museum and railway in Gray would provide a major tourist attraction and opportunity for local businesses.

STREET CONSTRUCTION ORDINANCE

The overhaul of Gray's Street Construction Ordinance was completed with approval of

amendments to the ordinances related to standards for private roads and commercial driveways. Provisions for street construction are now located in the Town's Subdivision and Zoning Ordinances under the review authority of the Planning Board with technical assistance from the Town Engineer. The new Street Ordinance contains the provisions for public acceptance of road maintenance responsibilities, street naming and numbering, and standards for all activities within a road right of way.

EFFICIENCY MAINE GRANT 2

As a follow up to last year's energy conservation planning study, the Town received additional funding (\$36,000) from the Efficiency Maine Trust to do energy audits on several Town buildings. These "investment grade" audits identified specific energy saving measures with cost estimates and pay-back timeframes to help the Town more cost-effectively manage its energy consumption.

-George Thebarger

COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

To the Citizens of Gray:

The Community and Economic Development Committee meets monthly to discuss opportunities to improve the economic vitality and community atmosphere of Gray. Our meetings are currently held the first and third Wednesday of the month beginning at 6:30 PM at the Pennell Municipal Complex. We cordially

invite the public to attend a meeting and participate in these activities.

The activities and initiatives of the committee from July 2010 through June 2011 are summarized below:

- 1) In July of 2010 the CEDC presented a report to the Gray Town Council highlighting route marker and business directional sign clutter in and around the

- village area. Believing that the signage clutter detracts from Gray's image as an attractive, town in which to live, to work, and own a business, the CEDC urged the town to meet with the Maine Department of Transportation to discuss this issue. This meeting took place in the fall on 2010 at which time MDOT agreed there were various issues. MDOT then did their own survey study and are in the process of implementing changes over the summer of 2011.
- 2) The CEDC continued to work with George Theborge, the Town Planner, on the Monument Square Master Planning. On November 13th, 2010 the CEDC conducted a community design workshop to solicit input into the master planning process. Design workshop participants supported a public-private partnership approach where private developers take the lead in redevelopment but the Town provides incentives and guides what happens. In July of 2011 the CEDC plans to survey the community in hopes to better understand the value of Stimson Hall in this process.
 - 3) The CEDC also worked with George Theborge, the Town Planner, to finalize a strategy for applying for CDBG funds to redo village crosswalks and a much needed sidewalk. This strategy was accepted by the Town Council and the CDBG application was approved.
 - 4) The owners of the Northbrook Business Park asked the Town of Gray for a TIF extension so they could finish park infrastructure and expand an existing business. The CEDC worked closely with the Gray New Gloucester Development Corp. and the Town of Gray to help educate voters at a special town meeting on the TIF extension details. The efforts of all mentioned above led to a successful "Yes" vote to support the TIF extension.
 - 5) The CEDC Chair worked with town officials to create a conceptual design for gateway welcome signage. The CEDC voted unanimously to endorse the concept design. The concept design was then approved by the Gray Town Council. Awaiting funding in next year's fiscal budget.
- Other activities and plans into 2012:
- A) Continue to work with town officials on Gateway Welcome signage.
 - B) Work with the town Planner to review and recommend changes to the town's TIF policy.
 - C) Complete the Monument Square master planning process and RFP.
 - D) Research and explore redevelopment possibilities for the Brown Street triangle block.

- E) Assist in the opportunity with the Maine Narrow Gauge Railroad relocation.

Membership Status

Anne Gass was designated secretary. Lew Mancini was designated Vice Chair and has since been elected to the Gray Town Council and left the committee, Tom Delaney, and Lance Tlumac resigned from the committee. Rick Licht joined the committee mid-year. Dick Barter has since been elected to the Gray Town Council and left the committee.

The CEDC continues to recruit citizens of Gray to join the committee.

I would like to thank the current and past CEDC

members for volunteering their time, energy and commitment to fostering economic development in Gray.

I would also like to thank all those non-members who have donated their time sitting in with the committee to offer their insight and/or be our subject matter experts. Especially George Thebarger who's guidance and expertise in economic development and planning has been invaluable.

Respectfully submitted,

Edward Libby – Chair CEDC
2010/2011

FIRE – RESCUE DEPARTMENT

It is my pleasure to submit the annual report for your Gray Fire Rescue Department.

I would like to thank the Town Council and the Town Manager for their guidance and support. Thanks to the staff and membership of Gray Fire Rescue for their continued dedication to the Town of Gray and its citizens.

I would also like to thank Steve LaVallee and our Public Works Department for keeping our roads safe and to Ed Milose for his daily support. I appreciate the assistance, dedication and continuous support from our Town Office staff to Gray Fire Rescue.

Gray Fire Rescue department consists of 62 members, including 4 fulltime, 50 call/volunteer and 8 per diem Paramedics.

We responded to over 1050 calls this year with a breakdown of 749 EMS calls and 301 Fire calls. We have received continued support from our Mutual Aid towns. Thanks to New Gloucester, North Yarmouth, Cumberland, Windham, and Raymond.

Members spent many hours training, advancing their skills and attending

mandatory meetings. 5280 hours were logged in our training files as firefighters and EMTs trained, attended classes and seminars, and advanced their license levels.

We have added 6 EMTs and 5 firefighters to our call department. 2 members have advanced to the intermediate level and 1 is currently working towards the Paramedic level.

We issued 831 burn permits in 2010. Please remember, all outside fires require a burning permit. For more information call 657-3931.

A proposed training site for Gray Fire Rescue has now been approved. We are currently in the planning and development phase with expected completion in the spring of 2012. The training site will be located behind the Solid Waste facility on Seagull Drive. The combined effort and cooperation of the Town of Gray department heads has made it possible to reach this goal. Thanks to the Gray Fire Rescue Association

for their continued support and commitment to the development of the new training site.

We continue to recruit new members to supplement our volunteer department. A mentoring program is now in place providing new members with experienced firefighters and EMTs to assist them in their new environment. We continue to welcome those who wish to serve with us. Please contact our office at 657-3931 if you are interested.

Please help us find your home in an emergency. Please post your house number on your property or mailbox in 4" minimum numbers. We want to respond quickly to you in your time of need. If you have questions on how and where to post your street number please call our office at 657-3931.

Respectfully submitted,

Galen R. Morrison
Chief of Department
Gray Fire Rescue

PUBLIC SAFETY COMMITTEE

The Public Safety Committee is an advisory committee to the Town Council. The committee is made up of representatives of the Gray Fire/Rescue Department and citizens of the town. The Public Safety Director is an ex officio member. A town council member is a liaison member.

We continued to work on the Mass Gathering Ordinance. It was a long process as we gathered ordinances from area towns and compiled our own ordinance. It went through the town office reviewers and the town attorney. There was a public hearing

and at this writing, it is in the hands of the Town Council.

We are always looking for new members and new ideas. So if you have an interest in public safety, please think about joining us. We meet once a month at the public safety building.

Respectfully submitted,

Audrey Burns, Chair
Gray Public Safety Committee

GRAY HISTORICAL SOCIETY

This is our second year at the old fire station in the center of Gray. We are still in the long process of getting things up and running. The town did some rewiring in the building and there will be a new look to the front of the building, where the fire doors are now. This will bring the front of the building back to the look it had when it was first built.

The Christmas tree lighting at the new town office was well received by the public.

The society applied for a grant to recondition the curtain that was used on the stage at Stimson Hall, the grant was

approved and the reconditioned curtain is now hanging at the new town office, where everyone can view it.

The town honor roll is coming along, this is in honor of town citizens who have given their time and effort to enrich the town.

I could like to thank all members who have worked on these and other projects to keep the town history alive.

Respectfully submitted,

Donald Whitney
Past President

DRY MILLS SCHOOLHOUSE MUSEUM COMMITTEE

The Annual Report to the Town Council
Dry Mills Schoolhouse Museum Committee

The Dry Mills Schoolhouse Museum Committee is appointed by the Gray Town Council and is the committee's goals were to:

Make necessary repairs in order to re-open the schoolhouse: Additional support posts were placed underneath the floor to provide additional support, a moisture barrier was laid on the ground underneath the building to prevent future moisture problems, and screens were placed in the basement windows to allow further ventilation.

The schoolhouse was re-opened to serve the public on July 9, 2011 and will be open Saturdays from 1-4 P.M. throughout the summer.

An updated schoolhouse brochure was designed, printed, and distributed in town.

Needed materials such as slate chalk were purchased for schoolhouse visitors to use as a hands-on display of early education before the mainstream use of pens and pencils. The committee successfully accomplished these goals.

The committee's goals for 2011-2012 are:

1. Create a hands-on display at the schoolhouse of children's games played in the 1800 and early 1900's.
2. Recruit additional volunteer in order to expand the hours of operation in 2012.
3. Honor Mae Beck, who spearheaded the preservation of the Dry Mills Schoolhouse, with a plaque dedication ceremony held at the schoolhouse.
4. Create a contact list of educators who may wish to bring their class to the schoolhouse for a presentation.

5. Recruit new committee members.
6. Have the exterior building painted and schoolhouse sign repaired or replaced.

Respectfully Submitted,

Jennifer Dupuis

Committee Chairwoman
Dry Mills Schoolhouse Committee

BUILDING AND GROUNDS DEPARTMENT

The Town of Gray has grown as a community and the Building and Grounds department is handling more projects trying to keep up with the needs of our growing town. To maintain a tight budget, some projects have been delayed or put on hold. With added responsibilities given to the Building and Grounds department our department needs to grow with the demands. Volunteers willing to lend a helping hand with projects around town are always appreciated.

The Building and Grounds department currently employs one 40 hr. full-time employee, one part-time employee who fills a 34-hour per week position, one 24 hr. per week position. As in the last few years, we also worked with the Buildings Coordinator, Code Enforcement, Public Works and Public Safety who have all assisted to lessen the load on our department.

The following projects have been completed for fiscal year ending June 30, 2011:

Town Office:

- The first year of occupancy in the former Pennell building seems to be going well with few minor adjustments as needed.

Soldiers Monument:

- The monument was moved from the former town office location to the new town

office (former Pennell)
grounds after a few minor
refurbishments.

Public Safety Building:

- Regular inspections of all AC/heating units, fire extinguishers, sprinklers and septic tank.

Other buildings:

- Regular inspections of all AC/heating units, fire extinguishers, sprinklers and septic tanks.
- Gray Cemetery – Five new faucets with back flow preventers and auto shutoffs were added.
- New Public Works building – as needed
- New Transfer Station – as needed
- Village Fire station has been currently occupied by our own Historical Society with some new code updates made
- Dry Mills Fire Station – as needed
- Dry Mills School House – New floor joist were added for strength. The crawl space gained a screen for summer and will have a new windows added for winter.

- Fire Station #3 – as needed

The Building and Grounds department helps maintain 18 buildings and the surrounding grounds. Our responsibility consists of some light landscaping and general maintenance:

- Wilkies Beach – general maintenance
- Five “Welcome to Gray” signs (decision on repairs or replacement is needed in the near future)
- The monument area - maintained by volunteers
- Newbegin fields
- Douglas field in “Little League” seasonal
- Pennell grounds
- The outdoor basketball court area

- Summer set-up for the Recreation Department – new big top tent and picnic tables

The Building and Grounds department also assists other departments (Public Works, Transfer Station, and Recreation Department) when they have a shortage of staff. During the colder months, we are busy with snow removal, salting and sanding. During this time especially, I would personally like to thank all departments for their help, it is greatly appreciated. We continue to try and cut our costs where we can, trying to conserve in every possible way.

Respectfully submitted,

Edward A. Milose
Building and Grounds Director

GRAY PUBLIC LIBRARY

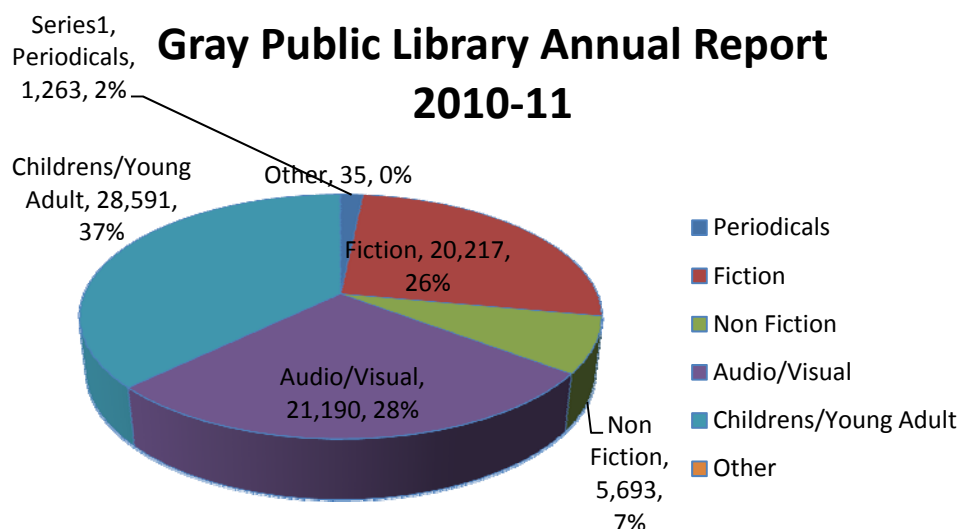
Statistics:

Total yearly circulation	88,449
Average daily circulation	354
Interlibrary loans	21,957 (11,460 borrowed; 10,497 loaned to other libraries)
New patrons added	444
New materials added	3,210
Downloadable audio books	818
Public computer hourly use	3,858hrs
Public computer usage	6,546
Days open	250

The Gray Public Library is dedicated to serving the community's needs. Our staff and volunteers strive to offer outstanding customer service to the citizens of Gray and New Gloucester. In the past libraries were often intimidating places to visit, but not anymore. Modern public libraries have become so much more. While we are still the keeper of books, libraries today offer their community services across the board, evolving with the times as the community's needs grow. And while the library long ago outgrew the confines of our space, with the

Gray Public Library Association's help and support of their donors, many changes were made this year to make better use of the space we have. Our children's area was swapped with the computer/periodical area; a young adult space was created, along with a new multi-purpose room allowing us to offer more programming. New technologies have been added such as flat screen T.V, a new computer table for the public computers, e-books have also been added to our downloadable library. These changes have created a more unified and user friendly library.

A brief look at how the GPL's materials have circulated this year:



GRAY PUBLIC LIBRARY TRUSTEES

The past year has been another in a succession of good years for the Gray Public Library. All standard indicators of success continue to show growth, increased use of the Library, new and well attended community programs, and increased demand for books acquired through the cooperative Interlibrary Loan Program, an expansion of on-site support services, and increased interest in, and use of, the improved technology center.

The Library often tends to be overcrowded, understaffed, and unable to accommodate the increasing demand for services due to the existing limitation of space. Regardless, the Gray Public Library is a happy center of community action, accommodating to the full range of patrons from the very young to the very old. The library continues to sustain its reputation as one of the “Crown Jewels” in serving the diverse needs of the citizens of Gray –and often, beyond.

Specific accomplishments and enhancements of the year past include:

- Well attended meetings and the enthusiastic support of the Trustees for the stellar accomplishments of the staff.
- Completed AED and CPR training for the staff
- The installation of an outside book return container to accommodate night and week-end return of books. Many thanks to the talented local artist Mary Blackfeather for decorating the book return in a children’s motif.
- An upgrade and improved Library website.
- The instillation of insulated window blinds in the children’s center, multi-purpose room, and staff workroom.
- The purchase of a digital projector, plasma wall mounted T V screen and the related support I T equipment.
- The highly regarded gingerbread making program doubled in participation.
- Children’s story time continues to increase in attendance and interest
- Very successful GPLA book sales have generated ever increasing support to enhance and sustain special library programs, including the new computer center and totally renovated multi-purpose room.
- Security video cameras have been installed at critical locations throughout the Library.
- The Central Maine Library District Consultant, Stephanie Zurinski was invited to conduct a professional assessment of the personnel, program, and procedures now in place to determine whether the Library was making the highest and best use of limited resources. Her findings are under review with some changes made and others under considerations depending on the availability of increased space and financial resources.
- The Library Trustees are preparing a new “Vision Statement” for the Library. The current mission statement is under review and revision with input provided by Library patrons. The revised statement will be finalized this summer.
- In May the three core Library stakeholder groups- Staff, Trustees and the GPLA, completed a survey that will be reviewed in August as they sit together to review and discuss “The Library –Today,

Tomorrow, and on into the Future” We hope that such a collaborative retreat will become an annual process.

- Lastly, we have worked hard, and I believe successfully, to create a personal and professional partnership between the Staff, Trustees and GPLA for the common good of the Gray Public Library. The ultimate and deserving beneficiaries of this collaboration will be the citizens of Gray.

We are proud and pleased with what we have accomplished. The obvious beneficiaries of these efforts will be the

sustained growth and improvement of this very special community library and the improved quality of life provided for all Town citizens. We look forward to working with the Town Council in the coming year to make this vital community asset even better.

Respectfully Submitted,

Steve Arsenault
Richard Barter
Joyce Burrow
Jody Fein
Boe Hamilton
Margaret Hathaway Schultz
Glenn Walton

PUBLIC WORKS DEPARTMENT

To the Town Manager, Gray Town Council and the Citizens of Gray:

It is with great pleasure that I submit to you the annual report of the Department of Public Works:

The summer months of 2010 and early 2011 proved to be busy for the Department. The following road was overlaid with one inch of hot top: 1) Dutton Hill and, 2) North Raymond Road for a total of 4,250 tons. The following roads were reclaimed 1) Long Hill Road and, 2) Totten Road; 31,621 square yards were reclaimed with two inches of hot top being placed on both roads for a total of 3,640 tons. After adding shoulders to the above mentioned roads the crew spent the rest of the season performing routine maintenance.

The winter of 2010/2011 was another challenging winter. Over the course of the

winter we used 1,500 tons of salt, 4,500 yards of sand and 4,300 gallons of calcium. Our first storm was November 26, 2010 and our last storm was April 1, 2011. We had a total of 95 inches of snow. We experienced a total of 24 storms, causing 29 different plowing and sanding events and a total of 2,605 equipment and man hours. The crew handled the hours behind the wheel very well and got some deserved rest after the real busy months of February and March. The crew severed the town with pride and dignity and all answered every one of my many calls.

We continued to strive to improve the infrastructure of the town including bridges and sidewalks. Gorrill and Palmer our town engineers are currently designing Leavitt's Bridge on Center Road and Sucker Brook Bridge on Westwood Road for construction in the summer of 2011.

As of July 01, 2010 the Public Works Department Crew consisted of William Horr, Arthur St. Cyr, Michael Toderico, Nick Hutchins, Mike Morneau and Michael Gervais [Full-Time]. Our part time seasonal crew consists of Chris LaVallee, Glen Mehan, Dean Hadlock, Will Plummer, Vaughn Hutchins, and Michael Ryan. All of our employees are very important to the town and Public Works would cease to operate without them. I am proud to be their Department Head and very grateful for their dedication to the Town of Gray. A major goal in the next couple of years is to add three more full time people to this hard working staff. One of the new staff members would be another full time mechanic and the other two positions would be on the highway side. The town is growing and such is placing a much greater strain on the department and we must have the staff numbers to meet this demand. Due to budget restraints in the past years the staff has been reduced and now staff has to start to be added back to cope with present day demands. One of these largest demands will come in 2013 when the DOT could turn over eighteen miles of road to the town to maintain, we are struggling to maintain what miles we have now with our present staff. When I took over the Director's roll in 1994 we had seven full time positions on the Highway Department and one full time mechanic, presently we have three and a half

and two and a half. The numbers must change if we are to keep our heads above water.

Many thanks to Ed Milose, our maintenance head, whose constant support continues to bails us out of many situations.

Once again, I want to thank Chief Galen Morrison, Dep. Chief Robert Ryan, Captain Mike Barter, and the Department of the Public Safety for the many assists during the past year, the two Public Service Departments work many times as one and in very fine fashion. We would also like to thank the Maine State Police and Cumberland County Sheriff's Department for their many assists.

And as always, a big thank-you to all of the citizens of Gray who volunteer their time to serve our departments and committees and to all of the citizens who show courtesy towards our department as we strive to improve the safety of our Town ways. And last, but not least, to Ann, Helen, Elizabeth, Pam, Judy, Galen, Tina, Ryan, Cathy, Michelle and Doug, whose constant support makes my job much easier.

Respectfully submitted,

Steve LaVallee
Town of Gray Director of Public Work

SOLID WASTE / RECYCLING DEPARTMENT

Solid Waste / Recycling Department
Greetings:

It is with pleasure that I submit to you this report of activities of the Solid Waste and Recycling Department for the fiscal year ending June 30, 2011.

The annual recycling rate for the Town of Gray dropped from 57% in 2009 to 52% in calendar year 2010. This was the result of a decline in recyclable construction materials, not the general household recycling which in fact increased during this time. A sign of the economic downturn and its affect on the building trades.

On a brighter note, pricing for the recyclable paper, plastics, and metals remained very strong throughout the year and there is no indication of it letting up any time soon. Revenue from these materials exceeded \$94,000, almost \$20,000 more than fiscal year 2010. Total revenue for the Department for the fiscal year was \$161,528 up more than \$20,000 from the previous year.

2557 tons of household trash was sent to ecomaine, a waste to energy facility in Portland, at a cost exceeding \$430,000, by far the largest expense for the Department. This does not include transportation or trailer rental which combined adds another \$40,000 to the cost of disposing of the trash that goes into the hopper. Recycling not only generates notable revenue but also saves substantial dollars in disposal costs. Keep recycling Gray!

The “Take it or Leave it” building became operational in the latter part of the fiscal year and through the tireless efforts of volunteers has proven itself to be well worth the wait. Special thanks to Judy Huff for her hard work in keeping things organized, she is truly a blessing to the Town.

I would also like to thank the many other volunteers, Recycling Committee members, facility staff and the residents of Gray for making my first ten years as Director a rewarding experience.

Respectfully submitted,
Randy J. Cookson, Solid Waste Director

RECREATION DEPARTMENT

The mission of Gray Recreation Department is to provide the best possible recreation, social and leisure time opportunities that encourage personal growth, improved personal health and enhance the overall quality of life to the residents of Gray.

The Recreation Department (2 fulltime employees and one part-time) is responsible for the coordination, supervision, implementation and administration of many activities, programs, facilities and special events for the benefit of the residents of Gray. Some of the responsibilities include; coordination of all recreation programs, daily maintenance of facilities (Wilkies Beach, Libby Hill Trails, Newbegin Community Center, soccer fields, basketball and volleyball courts), administer office duties (answering and returning phone calls, producing monthly/quarterly fliers and brochures, submitting news releases, processing registrations and fees, and making deposits). We are also responsible for setting up and taking down of the municipal voting. This department also coordinates all rental groups at Newbegin (we rent the gym and recreation room) for birthdays, school functions, special meetings/events. We feel this department plays a critical role in the development and direction of our community. As our community population, needs and services grow; so should the growth of this department. In the near future we need to address: improvements to existing facilities, purchasing new land for parks and facilities and expanding on our “programming” staff.

As you can see our responsibilities expand well beyond just playing games. We feel we play a very important role in the shaping of our community and continue to look toward

the future for improvements and to better serve the residents of Gray.

Wilkies Beach: We did have to close down the beach this summer due to high counts of E-coli. The closure was due to the extremely high number of swimmers, consecutive high temperatures and the return of the geese all at the same time. The beach was closed from July 27th to August 18th. The courtesy boat inspections have continued to be successful. We have kept pace with the past number of inspections (total of inspection #258) and to date there is no evidence of invasive plants in the lake. Thank you to all of the beach patrons for making it a great, safe summer. Thank you also to the Crystal Lake Association for all of their support and help.

Libby Hill Forest: The trails continue to be utilized and are certainly a precious resource to our community. Outdoor recreational activities (both passive and active) occur on a year-round basis. Whether it's hiking or going for a nature walk, Nordic skiing, bird watching, mountain biking or horseback riding, it has become a destination for the outdoor enthusiast. Thank you to the Friends of Libby Hill and the Gray Community Endowment for your support and collaboration.

This past year we have acquired a small parcel of land that abuts Pennell. This 1.59 acre of land can be utilized for a variety of activities. Some of the ideas are: a small playground, walking paths, exercise stations, more soccer fields and a gazebo.

Sincere thanks and appreciation to all of the seasonal and part-time employees and instructors for their dedication and support of our programs.

We would truly be at a loss without the support of the hundreds of volunteers that help out with the youth sport programs as well the many civic groups and individuals that make Gray a very special place to live. Thank you.

Sincerely,

Dean M. Bennett, Director

The following programs/activities were offered from July of 2009 to June of 2010.

Period	Recreation / Sports Programs & Activities	Special Events	Rentals	Collaboration with groups Misc activities
July & Aug	Pick-up adult softball Patriot Soccer camp North American Soccer Summer Day Camp Adult pick-up basketball Top Flight Men's BB League Hoola Hooping Youth Volleyball Camp Kettlebell Classes Swim Lessons	Radio Gang Concert	Adult beach Vball H.S. Girls Vball	Libby Hill Forest. Elections GNG Adult Education New Gloucester Rec Dept
September October November	REACH before/after school Happy Hands Play Group Gymnastics lessons Fall Youth Soccer Adult Flag Football League Red Cross Babysitting 7/8 grade Travel Basketball Adult pick-up basketball Top Flight men's BB League Karate at Dunn School Zumba Hoola Hooping Jr Basketball	Annual Halloween Party NWA Wrestling X-Mas Tree Lighting Visit with Santa	2 birthdays AAU Bball Vball Mtg Girls Volleyball	Elections Patriot Soccer Club GNG Youth BB Assoc Gray Fire & Rescue Portland North Vball GNG Comm. Serv. Club

Period	Recreation / Sports Programs & Activities	Special Events	Rentals	Collaboration with other groups/org.
December January February	Junior basketball program Dunn School Nordic Skiing Middle School Nordic Skiing Scrape Booking Adult Pick-up basketball Top Flight Men's Bb league REACH Happy Hands Play Group 7/8 travel basketball Karate at Dunn School Kettle Bell Classes Youth Bball practices Zumba Gymnastics Mad Science Lacrosse Clinics Red Cross babysitting	U.S.O. Fishing Derby Indoor Yard Sale L.H. Winter Carnival Red Claws game North Pole Calling	Port North Vball Men's weekly bball 43 birthdays Patriot Soccer Mtg	Healthy Hometowns Skiing Gray Little League Friend of Libby Hill Forest GNG YBA Port. North Vball
March April May June	Patriot Indoor Soccer REACH Happy Hands Play group Top Flight basketball league Adult pick-up basketball Junior track & field Karate at Dunn School Gymnastic lessons Mad Science at Russell Hula Hooping Red Cross Swim Lessons Summer day camp Kettlebell classes Zumba Classes Junior Indoor Soccer Red Cross babysitting Boot Camp Intramurals at Dunn Foot Skillz Seed Starter & Raised Bed Women's Pick-up BB Photography Class Net Gains Basketball Men's 35+ basketball League Patriot Girls & Boys BB	Fitness Fair YBA BB Fun Night 50+ Forward Social Annual Easter Egg Hunt NWA Wrestling Red Cross blood drive Lifeline Health screening Indoor Yard Sale Ride on fire truck raffle 4 th Josh Libby Kickball	Basketball 2 birthday Scribbles graduation Community Dance Business Mtg	Pineland Farms Patriot Soccer Club Crystal Lake Association Lifeline American Red Cross Net Gain BB GNG YBA Optimist Club Patriot Parents – 5k race

LISTING OF DEATHS

<i>First Name</i>	<i>Last Name</i>	<i>Date of Death</i>	<i>First Name</i>	<i>Last Name</i>	<i>Date of Death</i>
GUY	DUMBROCYO	07/07/10	NANCY	TRIPP	01/08/11
ANDRZEJ	ROLNIK	07/09/10	JOHN	VAN MORRIS	01/11/11
HISSELINA	BYKE	07/17/10	ERNEST	MERCHANT	01/22/11
MARION	MACDONALD	07/24/10	JOAN	STOCK	01/28/11
RICHARD	MEUSE	07/25/10	REGINALD	ST. PIERRE	02/02/11
ADRIAN	KEW	08/11/10	STEPHEN	WALKER,SR.	02/03/11
DAVID	BARTER	08/24/10	FRANK	LYMAN	02/06/11
MIKHAIL	FILATOV	08/27/10	DOROTHY	LEAVITT	02/07/11
BEVERLY	COOK	09/07/10	KAY	MCGANN	02/20/11
ROBERT	PREVOST	09/08/10	ROSALIE	BAUR	02/23/11
EVELYN	LEWIS	10/08/10	ROBERT	BELL	03/02/11
NORMAN	BOULIER	10/11/10	CECIL	BLACKWOOD	03/04/11
MARY	MILDRED	10/19/10	LORRAINE	MORSE	04/08/11
WILLIAM	DRAPER	10/23/10	KRISTIN	SPITZINGER	04/17/11
JANET	THORNE	10/27/10	JUDITH	KOCH	04/19/11
ALICE	HOLMQUIST	11/10/10	BRADLEY	PERKINS	04/20/11
RICHARD	JORDAN	11/21/10	MARION	HOUGHTON	04/20/11
CARROLL	KENNEDY	11/28/10	BARBARA	FORTUNE	04/30/11
LESLIE	KENISTON	12/10/10	LOUISE	LYMAN	05/13/11
JAMES	STRATTARD	12/12/10	BARBARA	MOORE	05/19/11
HELEN	ALEXANDER	12/20/10	PAUL	WILLIS	05/23/11
JUNE	CLINCH	12/26/10	DOROTHY	WOOD	06/07/11
PHYLLIS	BENTLEY	01/01/11	DENNIS	DANIELL	06/12/11
ALBENIE	GERVAIS	01/01/11	RAMON	FARRIN	06/19/11
JOHN	GOOSETREY	01/02/11	DONALD	BRITT	06/22/11
			KAREN	KUNZ	06/27/11

REPORT GRAY CEMETERY ASSOCIATION -- JULY 1, 2010 -- JUNE 30, 2011

BALANCE, JULY 1, 2010 \$33,766.48

RECEIPTS:

TOWN OF GRAY, APPROPRIATION	\$10,385.00	
TOWN OF GRAY, INTEREST	1,342.26	
KEY BANK, INTEREST	3,079.24	
ADMINISTRATIVE FEES	4,900.00	
NEW LOTS SOLD	9,800.00	
		\$29,506.50
		<u>\$63,272.98</u>

DISBURSEMENTS:

D.C. STILKEY, CONTRACT-PAYROLL-		
LOT MAINTENANCE	\$27,203.60	
COMPUTER REPAIR	300.00	
INSURANCE	500.00	
TRUST FUND INVESTMENTS	3,315.00	
BANK CHARGES	21.00	
		\$31,339.60
		<u>\$31,933.38</u>

BALANCE JUNE 30, 2011

NEW LOTS:

CATHERINE MANCHESTER	HARRY/DONNA RAND
DAVID/PAT BARTER	JAMES/MARY GRAHAM
MIKHAIL FILATOV	WM./PATRICIA IRVING
DEBRA LUNT/JAMES DEFAZIO	VAN NORRIS
STACY/JAMES STRATTARD	

BURIALS FOR 2010

JODY SAILOR	SALLY HAMLIN
HARLEY SPURLING	DAPHNE WAGNER
JOHN B. POLLARD	FERN L. HAMILTON
CYNTHIA LAWRENCE	GUY DUMBROCYO
ANDREW ROLNIK	MERILYN ADLER
MARION MACDONALD	ERROLL ADAMS
MIKHAIL FILATOV	DAVID BARKER
DENISE A. POLLARD	EVELYN M. LEWIS
WILLIAM IRVING, SR.	SANDRA HENRY
ROGER HENRY	MARGERY HANSON

TRUST FUNDS:/SAVINGS

KEY BANK	\$79,018.71
FLOWER FUND	2,400.00
SAVINGS	26,728.22

RESPECTFULLY SUBMITTED,

Barbara Pollard
BARBARA POLLARD

GRAY WATER DISTRICT



Haverlock, Estey & Curran, LLC
Certified Public Accountants • Consultants

William H. Estey, CPA
Peter D. Curran, CPA
Steven D. Carr, CPA
Daniel A. Ryan, CPA
Vicki J. Vincent, CPA
Gayle M. Davis, CPA
Stephen L. Spencer, CPA
Keith P. Bourgoin, CPA
Randy S. Baker, CPA

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Gray Water District
Gray, Maine

We have audited the accompanying statements of net assets of the Gray Water District as of December 31, 2010 and 2009, and the related statements of revenues, expenses and changes in fund net assets, and cash flows for the years then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2010 and 2009, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2011, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

BUILDING FINANCIAL RELATIONSHIPS

8 COMMERCE COURT • HAMPDEN, MAINE 04444-1538 • TEL (207) 945-5695 • FAX (207) 945-5118
www.heccpa.com

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2 through 4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The schedules 1 and 2 are presented for purposes of additional analysis and are not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Haverlock Estey & Curran
HAVERLOCK, ESTEY & CURRAN

June 2, 2011
Hampden, Maine



Haverlock, Estey & Curran, LLC

SENATOR DICK WOODBURY (DISTRICT 11)

July 2011

Dear Friends and Neighbors:

Thank you for the opportunity to represent you in the Maine state legislature. As your new state senator, it has been a pleasure getting to know so many of you in Gray, and I look forward to meeting many more of you over the course of my legislative term.

It is an interesting time in state government, marked by a new Governor with different policy priorities from his predecessor, and by a shift in the balance of power in Augusta more generally.

The new Republican majority is appropriately energized by the chance to change policies that they believe were misguided. The decisive Republican majorities in both the House and Senate, along with the election of Governor LePage, give Republicans a ballot-box mandate to redefine the agenda. I agree with many of the changes being made, but have concerns with others.

Making our regulatory processes more efficient, more customer-friendly, less punitively-oriented, and easier to navigate – this has been a widely-recognized problem with government that this legislature has moved aggressively to correct. The increased focus on long-term financial sustainability of government is also a welcome change from the political tendency to make unaffordable future promises.

The initiatives that concern me most this session are those that would threaten Maine's environmental quality and natural

resources. Maine's high-quality environment and natural resource assets largely define Maine's appeal as a place to live, and its positive identity and reputation. These qualities are increasingly scarce in the world. Protecting our environment is thus critical not just to our quality of life, but to our future economic prosperity as well.

Budget discussions typically dominate the odd-year of the legislative session, and this year was no exception. The biggest policy changes involved pension reforms, tax reductions, and health policy reforms. And while some of the details are different from what I had advanced personally, the need for reform was profound, and most of the changes, I believe, were steps forward for Maine. A reform I thought was particularly unfair was changing the pension formula for already retired state workers and teachers; I had hoped that reforms would be directed more heavily to people further from retirement, who would have time to adjust their pre-retirement planning.

I look forward to discussing with you these and other issues over the course of my term in the Senate. I thank you again for the opportunity to serve. Please contact me anytime with ideas or concerns you want to share.

Sincerely,



Senator Richard Woodbury

174 Oakwood Drive

Yarmouth, ME 04096

(207)847-9300

Dick.Woodbury@legislature.maine.gov

REPRESENTATIVE ANNE GRAHAM (DISTRICT 109)



First and foremost, thank you for hiring me to be the first State Representative. I am honored and I recognize the responsibility I bear to best give the community of Gray a voice in

Augusta. I believe that small towns often get lost in the shuffle particularly when budget decisions are made that impact the town of Gray's bottom line and ultimately your property taxes. As a member of the Joint Standing Committee on State and Local Government, I have been able to lend my voice to the work of Maine's towns. As we climb out of Recession, I am working to help Mainers find and keep jobs, afford to heat homes, put gas in their cars, keep food on the table, educate our children and adult learners and find affordable health care.

In the Governor's proposed budget, the municipal revenue sharing formula had been significantly changed which could have resulted in a significant loss for communities. The proposed law would have repealed the revenue sharing law that has been in place for nearly 40 years which dedicates a share of state sales and income tax revenue to municipalities for property tax relief. Instead the communities would have received an annual legislative

appropriation which was \$94 million a year which is over \$42 million less than would be distributed under the current law. The Appropriations committee under strong bipartisan leadership did not allow this proposal to go through so taxes were not shifted to local property taxes to as much. Education funding saw a modest increase but a bill sponsored by Senator Raye at the end of the Legislative Session will cause the Gray's School's to lose \$193,590 for the next fiscal year. This is important as approximately 75% of Gray's budget goes to school funding.

Unemployment is slowly improving but the cost of living continues to be high. Many of our community members struggle with the high costs of food, fuel, the cost of higher education and health care. Along with my colleagues I worked to cut our State's budget without wielding a hatchet but by cutting with a scalpel. Balancing the Budget without shredding our safety net was my utmost priority.

I am honored to be your State Representative. I will do my best for you and all Mainers. Please don't hesitate to connect with me with your questions or concerns or ideas.

Rep. Anne P Graham
House District #109, Parts of Gray, North
Yarmouth and Pownal
RepAnne.Graham@legislature.maine.gov

REPRESENTATIVE MARK BRYANT (DISTRICT 110)



June, 2011

Dear Neighbors,

Thank you for the honor and privilege of serving as your State Representative during the 125th session of the Maine Legislature.

As I write this letter, the legislature is preparing to take final action on a couple dozen bills to close out the first session. We addressed a significant budget gap, due to lagging state revenues and the continuing national economic crisis. After months of consideration and revision, in response to your concerns, the new budget will deal with growing needs and reduced revenues

I understand how deeply the cuts made in this budget will be felt by families and individuals in all communities and towns. As we seek to make state government more efficient and cost effective we must make sure that the vital services that are so

essential during these tough times stay intact.

In addition to carefully reviewing the budget, we are also focused on promoting economic development, job growth, and improving the health and education of Maine citizens. We have the opportunity to make sure that Maine continues to move in the right direction by focusing on these important goals and priorities.

Please contact me with your comments, opinions, and questions which help me to represent you. You can reach me at home at 892-6591. Also, you can send me an e-mail at repmarkbryant@yahoo.com. Feel free to contact me anytime.

Best,



Mark Bryant
State Representative

REAL ESTATE DELINQUENT TAXES

NAME	BALANCE DUE
DEROCHE, MICHAEL &	\$398.56
TOTAL FISCAL YEAR 2005	\$398.56
CARDONA, MICHAEL	\$533.45
DEROCHE, MICHAEL &	\$676.95
TOTAL FISCAL YEAR 2006	\$1,210.40
CARDONA, MICHAEL	\$2,005.68
DEROCHE, MICHAEL &	\$645.74
TOTAL FISCAL YEAR 2007	\$2,651.42
NAME	BALANCE DUE
CARDONA, MICHAEL	\$1,635.88
DEROCHE, MICHAEL &	\$584.01
MACEACHEN, IAN	\$82.64
WOODLEY, LAURA J	\$1,989.49
TOTAL FISCAL YEAR 2008	\$4,292.02
BALFOUR, ROBERT I. II &	\$1,472.93
BELLAVANCE, ZACHARY T	\$1,786.39
CARDONA, MICHAEL	\$1,729.95
CUMMINGS, CHERYL A	\$401.26
NAME	BALANCE DUE
DEROCHE, MICHAEL &	\$615.73
MACEACHEN, IAN	\$192.48
SMALL, CLIFFORD HRS OF	\$588.65
SPRINGTIME HOLDINGS LLC	\$51.34
WOODLEY, LAURA J	\$1,891.27
TOTAL FISCAL YEAR 2009	\$8,730.00
AUSTIN, GENEVA P FAMILTY	\$1,132.73
BALFOUR, ROBERT I. II &	\$1,352.68
BANE, BRENT R	\$716.12
BEAN, CHARLES W JR	\$91.82
BELLAVANCE, ZACHARY T	\$1,864.38
BONNEY, CHRISTOPHER R	\$738.72
BRAINERD, JAMES C	\$1,857.49
CADIGAN, PAMELA J	\$2,253.71
CARDONA, MICHAEL	\$1,805.41
CHURCH, CRISTIANO CENCI	\$2,521.92
COOK, MICHAEL M	\$1,736.89
COPP, ELVIN H	\$6,070.94
CUMMINGS, CHERYL A	\$366.95
DADIEGO, JOSEPH M JR	\$336.10

DAWLEY, ROGER S	\$1,780.87
DEAN, DENNIS A & LORI A	\$2,100.62
DEROCHE, MICHAEL &	\$641.19
DERRIG, ANTHONY	\$49.21
DORRINGTON, NIKKI L	\$1,185.10
DUPLISEA, CARL HEIRS OF	\$203.55
DYKE, JODY E	\$93.60
EMMERTZ, CYNTHIA L	\$2,222.79
EMMERTZ, THOMAS J	\$823.96
FIDDLEHEAD CENTER FOR THE	\$819.76
FORBES, RICHARD S	\$3,404.76
FULLER, JOSEPH M	\$2,381.32
GAFFNEY, PAULINE M,	\$3,042.27
GILOMAN, WENDY	\$296.90
GLANTZ, JAMES ALFRED	\$1,051.10
GOBEIL, ROBERT	\$243.45
HALE, MICHAEL	\$2,452.95
HOLMES, JOHN M	\$400.46
HOLMES, JOHNNY	\$1,154.26
HOLMES, CAROLYN M	\$1,095.11
JONES, ROGER L	\$633.92
KELLEY, BRENDA	\$371.48
LEMARCHE, REGINA ANN	\$314.27
MALONEY, ANDREA	\$4,282.04
MARTIN, WAYNE J	\$1,358.22
MCATEE, DOUGLAS A	\$232.88
NAME	BALANCE DUE
MCATEE, DOUGLAS A	\$611.63
O'BRIEN, RICHARD K	\$89.72
REDWAY, DIAN P G HAZZARD	\$1,851.83
REMINGA, THOMAS A	\$508.23
REYNOLDS, GORDON R	\$454.89
RICHARDS, DENNIS H &	\$537.14
RICHARDS, WILLIAM A	\$3,222.53
SANDERS, TODD V SR	\$863.50
SMALL, CLIFFORD HRS OF	\$551.30
SPRINGTIME HOLDINGS LLC	\$280.31
SPRINGTIME HOLDINGS LLC	\$576.06
SPROUL, KEIGH J	\$1,017.65
TWIN BROOKS CAMPING AREA,	\$3,099.53
WALLACE, JACQUELYN R	\$564.20
WASHBURN, JANET	\$302.60
WESTERMAN, KAREN H	\$3,761.38
WHITE, JUDY	\$62.65
WING, COLLEEN A	\$1,807.51

WOOD, KATHLEEN K	\$389.84
WOODLEY, LAURA J	\$1,973.95
WORKS, NORMAN L	\$2,766.16
YOU, LLC	\$962.61
TOTAL FISCAL YEAR 2010	\$81,737.12
AGRO, TYRONE	\$938.20
ALEXANDER, MARK R	\$5,786.08
ASHLEY, ALICE F	\$1,987.05
AUSTIN, GENEVA P FAMILTY	\$2,143.58
AVERY, FRANK E	\$980.39
BAC HOME LOANS SERVICING,	\$1,118.69
BALFOUR, ROBERT I. II &	\$1,283.62
BALFOUR, ROBERT I	\$659.15
BANE, BRENT R, ESTATE OF	\$852.61
BEAN, CHARLES W JR	\$1,257.17
BEAN, ANN MARIE	\$84.26
BEAN, ANN MARIE	\$1,443.31
BELLAVANCE, ZACHARY T	\$1,797.72
BIBBER, REBECCA S	\$2,851.95
BLACK-BROWN, KIMBERLY	\$1,476.04
BONNEY, CHRISTOPHER R	\$1,388.82
BOOTSMA, JAMES	\$15.90
BOULIER, JR., NORMAN E	\$454.71
BOWLES, CLIFFORD A	\$499.62
BOYINGTON, RODNEY S	\$488.09
BRAASCH, BRIAN K &	\$3,432.76
BRAINERD, JAMES C	\$2,032.70
BRIDGES, DEBORAH	\$581.15
NAME	BALANCE DUE
BRODERICK, JOHN HENRY III	\$411.17
BROWN, DAVID S	\$801.73
BRYANT, JOHN L	\$1,207.67
BURNS, SHAWN MICHAEL	\$556.46
CADIGAN, PAMELA J	\$2,161.62
CARDONA, MICHAEL	\$1,775.15
CARRIER, JASON	\$1,353.13
CHURCH, CRISTIANO CENCI	\$2,425.26
CLEMENT, PETER J	\$1,517.34
COFFIN, DOROTHY E	\$223.09
COOK, MICHAEL M	\$4,289.73
COPP, ELVIN H	\$8,613.46
CRONIN, VICKI	\$491.18
CRYSTAL LAKE LAND TRUST	\$259.05
CRYSTAL LAKE LAND TRUST	\$3,575.89
CUMMINGS, CHERYL A	\$350.14
CUSHMAN, JOHN J	\$1,380.72

CUSHMAN, JOHN J	\$1,049.53
CYR, JAMES D	\$1,274.22
DADIEGO, JOSEPH M JR	\$604.24
DAWLEY, ROGER S	\$1,937.38
DEAN, DENNIS A & LORI A	\$1,992.04
DELAN, LAWRENCE R SR	\$1,038.13
DEROCHE, MICHAEL &	\$619.47
DERRIG, ANTHONY	\$231.75
DIMAURO, RICHARD C	\$1,572.69
DORRINGTON, NIKKI L	\$990.08
DREW, DEBRA J	\$1,353.27
DUPLISEA, CARL HEIRS OF	\$195.40
DUPLISEA, RICHARD &	\$2,945.43
DYER, PHILIP A	\$632.49
DYKE, JODY E	\$1,069.02
EMERY, SCOTT H	\$729.31
EMMERTZ, CYNTHIA L	\$2,148.49
EMMERTZ, THOMAS J	\$782.99
ERCOLINI, WALTER H P	\$1,097.37
ERICKSON, TONY J	\$827.22
FARRINGTON, KENNETH	\$2,758.55
FARRINGTON, KENNETH E JR	\$1,778.31
FARRIS, MICHAEL W	\$1,099.51
FECTION, LUCILLE E & EMILE J	\$3,011.85
FEEHAN, ROBIN W	\$3,343.42
FIDDLEHEAD CENTER FOR THE	\$5,820.18
FILES, JEFFREY S	\$660.20
FILIEO, BERNARD R	\$56.67
NAME	BALANCE DUE
FLECK, SUSAN B	\$1,593.48
FORBES, RICHARD S	\$3,895.88
FORSLEY, FRED &	\$5,534.14
FOX, ALEANDER	\$512.66
FRASER, HOLLY A	\$275.70
FULLER, JOSEPH M	\$2,270.94
GAFFNEY, PAULINE M,	\$2,883.73
GARLAND, ARTE A	\$959.10
GILOMAN, WENDY	\$283.84
GLANTZ, ANDREW G &	\$469.18
GLANTZ, JAMES ALFRED	\$998.38
GOBEIL, ROBERT	\$233.12
GRAY PLAZA INC	\$6,809.80
GRAY, V DONNA	\$1,723.32
GRONDIN, FRANK D	\$616.46
GRONDIN, FRANK D	\$466.17
GRONDIN, FRANK D	\$598.53
GRONDIN, FRANK D	\$614.07

GRONDIN, FRANK D	\$1,696.42
HALE, MICHAEL	\$2,341.90
HARTLEY, SHARON	\$161.89
HAYES, ANDREW	\$1,366.78
HERETAKIS ENTERPRISES	\$1,669.16
HIGGINS, MARK R &	\$1,051.31
HILL, JERID M	\$52.09
HODSDON, BARRY	\$2,328.00
HOLMES, JOHN M	\$381.89
HOLMES, JOHNNY	\$1,095.69
HOLMES, CAROLYN M	\$2,070.84
HUFF, JUDITH I (LIFE ESTATE)	\$1,759.27
HUNNEWELL, SANDRA	\$1,188.45
HUNNEWELL, SANDRA B	\$1,595.17
HUNNEWELL, SANDRA	\$1,319.55
HUNTINGTON, TIMOTHY W	\$337.68
HYMAN, MARY	\$410.13
INNOVEST, LLC	\$10.07
JEWETT, GRETA R	\$165.33
JONES, ROGER L	\$1,213.99
KELLEY, BRENDA	\$307.81
KENNEDY, GREG	\$1,697.67
LAFLEUR-WHITMORE, PENNY J	\$1,972.66
LARRIVEE, MARTHA	\$2,191.90
LEMARCHE, REGINA ANN	\$623.12
LESSARD, MICHAEL A	\$1,188.49
LIBERTY, GAIL M	\$6,325.80
LOCKE, ARTHUR JR	\$64.86
MACEACHERN, ROBERT W	\$1,750.94
NAME	BALANCE DUE
MACNEIL, SANDRA M	\$559.12
MAINS, BRENDA JEANNE	\$1,144.20
MALONEY, ANDREA	\$8,263.30
MARR, DAVID P	\$56.11
MARTIN, WAYNE J	\$1,296.41
MCATEE, DOUGLAS A	\$223.17
MCATEE, DOUGLAS A	\$581.86
MCCALIP, BILLY L	\$167.64
MCCARTHY, THOMAS P	\$2,446.51
MCCORMICK, CHRISTOPHER	\$243.38
MCCUBREY, RICHARD C	\$3,419.88
MHP	\$12.39
MILLER, WILLIAM H	\$1,597.04
MORGAN MICHELLE	\$287.76
O'BRIEN, MICHAEL J	\$375.85
O'BRIEN, RICHARD K	\$219.54
O'BRION, JAMES J JR	\$1,322.00
ORCHARD KNOLL GRAY, LLC	\$254.77

ORCHARD KNOLL GRAY, LLC	\$833.59
PACKARD, JOHN	\$776.32
PALMER, JANET	\$932.68
PHIPPS, ORRIN &	\$704.06
PHIPPS, ORRIN H &	\$8,211.54
POLE STAR PROPERTIES, LLC	\$322.81
POLE STAR PROPERTIES, LLC	\$2,026.05
POULIN, JOSEPH G	\$2,756.13
PURRINGTON, JAY E &	\$1,623.74
RAYMOND, SCOTT	\$591.38
REDLON, RACHAEL ANN	\$1,311.01
REDLON, RACHAEL ANN	\$1,403.88
REDWAY, DIAN P G HAZZARD	\$5,252.29
REMINGA, THOMAS A	\$483.93
REYNOLDS, GORDON R	\$3,520.14
RICHARDS, DENNIS H &	\$1,121.83
RICHARDS, WILLIAM A	\$3,454.53
SANDERS, TODD V SR	\$940.49
SARELAS, ELIZABETH	\$774.69
NAME	BALANCE DUE
SARELAS, ELIZABETH	\$2,283.92
SEELEY, EARL R	\$54.77
SKILLING, KRISTINE F	\$650.32
SMALL, CLIFFORD HRS OF	\$524.72
SOUCHEK, STEVEN H &	\$1,414.96
SPRINGTIME HOLDINGS LLC	\$283.86
SPRINGTIME HOLDINGS LLC	\$548.54
ST MICHEL, EDMUND R	\$794.58
STROUT, RICHARD A, TRUSTEE	\$4,839.32
STROUT, RICHARD A. JR	\$185.90
TERRANO, DEANNA M	\$333.66
THERRIEN, DONNA J	\$1,139.01
TURNER, ANITA S	\$460.02
TWIN BROOKS CAMPING AREA,	\$5,944.07
VANDERPUTTEN, CARL J	\$9.15
VARGO, ERICA A	\$60.32
VERRILL, SCOTT R	\$3,243.60
WALLACE, JACQUELYN R	\$1,029.81
WASHBURN, JANET	\$12.72
WEBSTER, BRETT KRISTA	\$2,682.96
WEEKS, MICHAEL W	\$2,389.02
WELCH, DANA B	\$788.40
WESTERMAN, KAREN H	\$3,590.72
WHITE, JUDY	\$471.66
WHITE, RALPH A	\$1,644.66
WHITNEY, DAVID P	\$3,334.53

WHITNEY, DAVID P &	\$191.43
WHITNEY, RUBY C	\$2,673.76
WILSON, JEFFERY T &	\$1,220.67
WING, COLLEEN A	\$1,755.26
WOOD, KATHLEEN K	\$2,550.68

WOODLEY, LAURA J	\$1,903.25
WORKS, NORMAN L	\$2,700.88
YOU, LLC	\$1,821.43
YOUNG, CHARLES E JR	\$2,297.79
TOTAL FISCAL YEAR 2011	\$290,985.30

PERSONAL PROPERTY DELINQUENT TAXES

NAME	BALANCE DUE
#1 COLLISION CENTER	\$370.33
APPLIED SCALES INC	\$38.15
BARTLETT GLASS	\$28.40
CINDI'S PLACE	\$7.52
ELECTRONICS UNLIMITED	\$95.91
HADLOCK'S HARDSCAPING	\$1,071.92
HOLMES JOHNNY EXCAVATION	\$402.98
INLAND AUTO BODY SHOP	\$137.20
MAINE HOUSING & BLDG	\$37.89
NITZ LANDSCAPE & DESIGN	\$428.97
P J'S REMODELING &	\$201.49
PROBABLY AUTO	\$4.41
TIBBETT'S REFINISHING	\$108.21
TIM'S CARPENTRY	\$100.74
WHITNEY DORIS D/B/A	\$167.85
TOTAL FISCAL YEAR 2005	\$3,201.97
#1 COLLISION CENTER	\$324.86
APPLIED SCALES INC	\$59.41
BARTLETT GLASS	\$24.93
BRAD WHITE BUILDING &	\$53.06
CINDI'S PLACE	\$9.90
ELECTRONICS UNLIMITED	\$84.18
GRAY AUTO SALES	\$123.79
HADLOCK'S HARDSCAPING	\$940.80
HIGGINS AUTO REPAIR	\$210.61
HOLMES JOHNNY EXCAVATION	\$353.69
MAINE HOUSING & BLDG	\$254.30
NITZ LANDSCAPE & DESIGN	\$376.50
P J'S REMODELING &	\$176.84
PROBABLY AUTO	\$30.23
TIBBETT'S REFINISHING	\$94.96
TIM'S CARPENTRY	\$88.42
WHITNEY DORIS D/B/A	\$185.86
TOTAL FISCAL YEAR 2006	\$3,392.34

#1 COLLISION CENTER	\$307.21
APPLIED SCALES INC	\$56.18
BARTLETT GLASS	\$23.58
BRAD WHITE BUILDING &	\$50.17
CINDI'S PLACE	\$6.85
D&D INDUSTRIAL PAINTING	\$11.87
ELECTRONICS UNLIMITED	\$55.53
ENVIRONMENTAL PROJECTS	\$864.64
FIVE STAR REALTY	\$69.90
NAME	BALANCE DUE
GRAY AUTO SALES	\$117.06
GRAY HOUSE OF PIZZA	\$119.33
HADLOCK'S HARDSCAPING	\$869.60
HIGGINS AUTO REPAIR	\$189.13
HOLMES JOHNNY EXCAVATION	\$334.47
LAKE REGION CHIMNEY	\$4.71
MAINE HOUSING & BLDG	\$173.58
NITZ LANDSCAPE & DESIGN	\$356.04
P J'S REMODELING &	\$167.23
PROBABLY AUTO	\$20.90
TIBBETT'S REFINISHING	\$88.14
TIM'S CARPENTRY	\$83.62
TOTAL FISCAL YEAR 2007	\$3,969.74
#1 COLLISION CENTER	\$352.08
ALL SEASON CYCLES	\$152.92
APPLIED SCALES INC	\$64.40
BARTLETT GLASS	\$27.03
BEACHES TANNING	\$215.64
BOTTLE BARN & REDEMPTION	\$4.64
BRAD WHITE BUILDING &	\$95.83
CINDI'S PLACE	\$7.87
COFFEE PAUSE CO	\$24.80
D&D INDUSTRIAL PAINTING	\$62.68
DUCY BERNARD M JR	\$4.97
ELECTRONICS UNLIMITED	\$63.63
FIVE STAR REALTY	\$80.11
FREDS VENDING COMPANY	\$11.50

GRAY AUTO SALES	\$134.16
GRAY HOUSE OF PIZZA	\$1.15
HADLOCK'S HARDSCAPING	\$996.61
HIGGINS AUTO REPAIR	\$216.77
HOLMES JOHNNY EXCAVATION	\$383.31
JULIEN'S RESTAURANT INC	\$715.05
LAKE REGION CHIMNEY	\$11.50
MAINE HOUSING & BLDG	\$198.93
P J'S REMODELING &	\$191.66
PROBABLY AUTO	\$23.97
SOLID & STURDY	\$448.86
TIBBETT'S REFINISHING	\$101.01
TIM'S CARPENTRY	\$95.83
TOTAL FISCAL YEAR 2008	\$4,686.91
#1 COLLISION CENTER	\$334.63
ALL SEASON CYCLES	\$179.17
NAME	BALANCE DUE
APPLIED SCALES INC	\$61.25
ARYAN MANSOUR	\$222.92
BARTLETT GLASS	\$25.69
BEACHES TANNING	\$396.96
BOTTLE BARN & REDEMPTION	\$16.22
CINDI'S PLACE	\$4.74
CREATIVE MARKETING & ASSOC	\$11.77
CYR AUCTION CO	\$130.68
ELECTRONICS UNLIMITED	\$41.55
FIVE STAR REALTY	\$76.18
GRAY STONE INC	\$30.37
HADLOCK'S HARDSCAPING	\$937.18
HATCH, CHARITY	\$63.79
HIGGINS AUTO REPAIR	\$195.20
HOLMES JOHNNY EXCAVATION	\$364.52
INERGY PROPANE LLC	\$542.77
JULIEN'S RESTAURANT INC	\$867.01
LAKE REGION CHIMNEY	\$10.94
P J'S REMODELING &	\$182.26
PROBABLY AUTO	\$16.40
SAVE THE QUEEN INC	\$52.85
SOLID & STURDY	\$406.26
TIM'S CARPENTRY	\$91.13
TOMRA MAINE	\$88.20
TOTAL FISCAL YEAR 2009	\$5,350.64
CINDI'S PLACE	\$4.36
PAMPERED POOCH LLC	\$9.06
LAKE REGION CHIMNEY	\$10.06
BOTTLE BARN & REDEMPTION	\$14.92

RAVEX MOTOR SPORTS	\$17.93
BARTLETT GLASS	\$23.64
THE BARN ON 26	\$24.46
TRM ATM CORPORATION	\$28.15
K & S PROPERTIES	\$36.96
ELECTRONICS UNLIMITED	\$38.22
SAVE THE QUEEN INC	\$48.59
SOLID & STURDY	\$49.82
GRAY STONE INC	\$50.61
APPLIED SCALES INC	\$56.31
HATCH, CHARITY	\$58.66
GRAY AUTO STOP	\$64.01
FIVE STAR REALTY	\$70.05
TIM'S CARPENTRY	\$83.79
TOMRA MAINE	\$114.46
CYR AUCTION CO	\$120.16
PUDDLEDUCKS CTRY CHILD	\$124.85
NAME	BALANCE DUE
GREG'S AUTO BODY SALES INC	\$154.45
P J'S REMODELING &	\$167.59
HIGGINS AUTO REPAIR	\$179.48
DISANTO'S RESTAURANT	\$225.81
#1 COLLISION CENTER	\$307.69
HOLMES JOHNNY EXCAVATION	\$335.17
BEACHES TANNING	\$364.99
ARYAN MANSOUR	\$418.96
HADLOCK'S HARDSCAPING	\$861.72
TOTAL FISCAL YEAR 2010	\$4,064.93
#1 COLLISION CENTER	\$291.39
A PLACE TO GROW	\$87.94
AAA PLUMBING & HEATING INC	\$0.01
APPLIED SCALES INC	\$49.19
ARYAN MANSOUR	\$101.57
AT&T MOBILITY LLC	\$0.62
AT&T MOBILITY LLC	\$153.16
BARTLETT GLASS	\$20.15
BEACHES TANNING	\$132.15
BETTER BOX CO	\$539.73
BOTTLE BARN & REDEMPTION	\$12.07
BOYINGTON RODNEY	\$0.24
CHIPMAN FARM STAND	\$0.30
CINDI'S PLACE	\$4.14
DELL FINANCIAL SERVICES LP	\$1.46
DISANTO'S RESTAURANT	\$311.12
EDMISTON HEATING & OIL	\$20.28
F A WING PAVING	\$0.18
FALABELLA BLDG &	\$19.20

FIVE STAR REALTY	\$66.42
GOBEIL'S FURNITURE	\$393.75
GRAY AUTO STOP	\$60.58
GRAY MANOR	\$332.34
GRAY MEADOWS TRUCKING INC	\$12.17
GREG'S AUTO BODY SALES INC	\$381.30
GRIFFIN GREENHOUSE SUPPLY	\$0.71
HADLOCK'S HARDSCAPING	\$816.03
HAYDEN ELIZABETH	\$44.40
HIGGINS AUTO REPAIR	\$170.11
HOLMES JOHNNY EXCAVATION	\$317.42
HOWELLS GUN SHOP	\$72.35
JESS & NIC'S	\$162.35
LAKE REGION CHIMNEY	\$7.15
LIBERTY ENERGY	\$85.70
LIFETIME MUFFLER	\$17.05

MAINESTREET	\$21.12
NAME	BALANCE DUE
MAXWELL JAMES F TRUCKING	\$3,742.49
NORTHERN UTILITIES, INC.	\$0.57
PAMPERED POOCH LLC	\$2.85
PCS PERFORMANCE	\$0.37
RICE, REBECCA	\$20.91
SUBWAY OF GRAY	\$5.79
SUNDOG COMPANY	\$21.10
NAME	BALANCE DUE
TAPLIN ELECTRIC	\$29.68
THE BARN ON 26	\$23.16
THE ONEIL COMPANY	\$49.60
TRUE VALUE HARDWARE	\$167.28
WHITE'S CUE CONNECTION	\$100.91
YARMOUTH LUMBER COMPANY	\$2,351.67
TOTAL FISCAL YEAR 2011	\$11,222.23

AUDITOR AND FINANCIAL STATEMENTS, 2010-2011

Audited Financial Statements

Town of Gray, Maine

June 30, 2011



Proven Expertise and Integrity



Proven Expertise and Integrity

INDEPENDENT AUDITORS' REPORT

July 26, 2011

Town Council
Town of Gray
Gray, Maine

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Gray, Maine, as of and for the year ended June 30, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Gray's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Gray, Maine as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the

United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Gray, Maine's financial statements as a whole. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RHR Smith & Company

Certified Public Accountants

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

(UNAUDITED)

The following management's discussion and analysis of Town of Gray, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2011. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

The Town of Gray's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government - Wide Financial Statements

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short – term as well as long – term information in regards to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government – wide financial statements include the following two statements:

The Statement of Net Assets – this statement presents *all* of the government's assets and liabilities with the difference being reported as net assets.

The Statement of Activities – this statement presents information that shows how the government's net assets changed during the period. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

The above mentioned financial statements have one type of column for the towns activity. The type of activity presented for the Town of Gray is:

- *Governmental activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, public safety, recreation, public works, education and other unclassified.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Gray, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Gray can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds: Most of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government – wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The Town of Gray presents two columns in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The Town's major governmental fund is the general fund,. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund is the only fund for which the Town legally adopted a budget. The Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Fiduciary Fund Financial Statements.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a schedule of Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net assets, and changes in net assets of the Town's governmental activity. The Town's total net assets for governmental activities decreased by \$237,995 from \$15,347,994 to \$15,109,999.

Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - decreased for governmental activities to a balance of \$4,698,189 at the end of this year

Table 1
Town of Gray, Maine
Net Assets
June 30,

	<u>2011</u>	<u>2010</u>
Assets:		
Current and Other Assets	\$ 7,325,431	\$ 8,641,324
Capital Assets	14,268,231	13,647,135
Total Assets	<u>\$ 21,593,662</u>	<u>\$ 21,341,263</u>
Liabilities:		
Current Liabilities	\$ 813,181	\$ 746,328
Long-term Debt Outstanding	5,670,482	6,194,137
Total Liabilities	<u>\$ 6,483,663</u>	<u>\$ 6,940,465</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	\$ 8,226,236	\$ 7,107,860
Restricted Net Assets: Special Revenue funds	1,837,062	619,867
Capital Projects funds	195,438	924,643
Permanent funds	153,074	154,807
Unrestricted Net Assets	4,698,189	6,540,817
Total Net Assets	<u>\$ 15,109,999</u>	<u>\$ 15,347,994</u>

Table 2
Town of Gray, Maine
Changes in Net Assets
For The Years Ended June 30,

	<u>2011</u>	<u>2010</u>
Revenues		
Taxes:		
Property	\$11,088,744	\$ 10,408,895
Excise	1,266,069	1,280,642
Intergovernmental	581,590	868,859
Interest Income	98,677	168,961
Charges for services/fees	471,980	513,303
Other revenue	461,687	468,738
Total Revenues	<u>13,968,747</u>	<u>13,709,398</u>
Expenses		
Administration services	1,013,775	974,086
Council, boards & committees	43,964	47,756
Public safety	946,481	960,979
Library/parks & recreation	404,774	392,668
Public works	2,635,573	2,474,159
Municipal finances	179,074	176,112
County assessment	487,078	490,173
Education	7,565,815	7,179,650
Community services	34,408	48,858
Capital outlay	703,243	550,994
Unclassified	-	160,954
Interest on long term debt	192,557	171,890
Total Expenses	<u>14,206,742</u>	<u>13,628,279</u>
Change in Net Assets	(237,995)	81,119
Net Assets - July 1	15,347,994	15,266,875
Restatement of Net Assets	<u>-</u>	<u>44,298</u>
Net Assets - June 30	<u>\$15,109,999</u>	<u>\$ 15,347,994</u>

Revenues and Expenses

Revenues for the Town's governmental activities increased by 1.93%, while total expenses increased by 4.28%. Most of the Town's revenues were consistent with the previous year.

Financial Analysis of the Town's Fund Statements

Governmental funds: The financial reporting focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be useful in assessing the Town's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's financial position at the end of the year, and the net resources available for spending.

Table 3
Town of Gray, Maine
Fund Balances - Governmental Funds
June 30,

	<u>2011</u>	<u>2010</u>
General Fund:		
Nonspendable	\$ 44,031	\$ -
Restricted	-	598,967
Assigned	88,811	139,605
Unassigned	2,640,813	3,112,412
Total General Fund	<u>\$ 2,773,655</u>	<u>\$ 3,850,984</u>
Nonmajor Funds:		
Special revenue funds		
Nonspendable	\$ 705	\$ -
Restricted	1,837,062	1,783,081
Committed	164,750	-
Assigned	111,684	18,182
Capital projects funds		
Nonspendable	1,217	-
Restricted	195,438	924,643
Committed	1,460,140	1,360,741
Permanent funds		
Restricted	153,074	154,807
Total Nonmajor Funds	<u>\$ 3,924,070</u>	<u>\$ 4,241,454</u>

The general fund total fund balance decreased by \$1,077,329 over the prior fiscal year. The non-major fund balances decreased by \$317,384 over the prior fiscal year. The major decrease in the general fund came from reclassification of some designated fund balances.

Budgetary Highlights

There was no significant difference between the original and final budget for the general fund.

The general fund actual revenues exceeded the budget by \$244,466. The intergovernmental revenues and sale of assets can be accounted for most of the excess revenues.

The general fund actual expenditures were under the budget by \$296,777. All expenditure categories were under budget with the exception of transfers to other funds.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2011, the net book value of capital assets recorded by the Town increased by \$621,096 over the prior year. This increase is the result of capital additions of \$1,504,041 less current year depreciation expense of \$882,945.

Table 4
Town of Gray, Maine
Capital Assets (Net of Depreciation)
June 30,

	<u>2011</u>	<u>2010</u>
Land and Non-Depreciable Assets	\$ 5,548,639	\$ 4,658,633
Buildings and Improvements	1,418,933	1,513,615
Furniture and Equipment	253,864	225,364
Vehicles	2,095,722	2,442,425
Infrastructure	<u>4,951,073</u>	<u>4,807,098</u>
Total	<u>\$ 14,268,231</u>	<u>\$ 13,647,135</u>

Debt

At June 30, 2011, the Town had \$5,320,000 in bonds outstanding versus \$5,600,000 last year, a decrease of 5%. Refer to Note 5 of the financial statements for detailed information.

Economic Factors and Next Year's Budgets and Rates

The Town has steadily maintained a sufficient undesignated and crisis fund balance to sustain government operations for a period of approximately four months, while also maintaining significant reserve accounts for future capital and program needs.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Office at 24 Main St., Gray, Maine 04039.

TOWN OF GRAY, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2011

	General Fund	Other Governmental Funds	Totals Governmental Funds
ASSETS			
Cash	\$ 5,673,174	\$ 988,449	\$ 6,661,623
Accounts receivable (net of allowance of doubtful accounts)			
Taxes	68,180	-	68,180
Tax liens	323,361	-	323,361
Other	226,298	16	226,314
Prepaid expenses	44,031	1,922	45,953
Due from other funds	-	2,984,148	2,984,148
TOTAL ASSETS	<u>\$ 6,335,044</u>	<u>\$ 3,974,535</u>	<u>\$ 10,309,579</u>
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	\$ 148,822	\$ 1,891	\$ 150,713
Accrued expenses	544	-	544
Accrued payroll	58,149	-	58,149
Prepaid taxes	42,374	-	42,374
Due to other funds	2,984,148	-	2,984,148
Deferred revenue	-	48,574	48,574
Deferred property tax	327,352	-	327,352
TOTAL LIABILITIES	<u>3,561,389</u>	<u>50,465</u>	<u>3,611,854</u>
Fund Equity			
Nonspendable	44,031	1,922	45,953
Restricted	-	2,185,574	2,185,574
Committed	-	1,624,890	1,624,890
Assigned	88,811	111,684	200,495
Unassigned	2,640,813	-	2,640,813
TOTAL FUND EQUITY	<u>2,773,655</u>	<u>3,924,070</u>	<u>6,697,725</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 6,335,044</u>	<u>\$ 3,974,535</u>	<u>\$ 10,309,579</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF GRAY, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>Total Governmental Funds</u>
Total Fund Equity	\$ 6,697,725
Amounts reported for governmental activities in the statement are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	14,268,231
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	327,352
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(5,320,000)
Capital leases payable	(721,995)
Accrued compensated absences	<u>(141,314)</u>
Net assets of governmental activities	<u>\$ 15,109,999</u>

See accompanying independent auditor's report and notes to financial statements.

STATEMENT E

TOWN OF GRAY, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUE			
Taxes:			
Property	\$ 11,068,810	\$ -	\$ 11,068,810
Excise	1,266,069	-	1,266,069
Intergovernmental	581,590	-	581,590
Interest Income	75,815	22,862	98,677
Charges for services/fees	471,980	-	471,980
Other revenue	163,898	297,789	461,687
TOTAL REVENUE	<u>13,628,162</u>	<u>320,651</u>	<u>13,948,813</u>
EXPENDITURES			
Current			
Administration services	979,234	-	979,234
Council, boards & committees	43,964	-	43,964
Public safety	781,758	-	781,758
Library/parks & recreation	382,107	-	382,107
Public works	1,973,067	-	1,973,067
Municipal finances	888,811	-	888,811
County assessment	487,078	-	487,078
Education	7,565,815	-	7,565,815
Community services	34,408	-	34,408
Capital outlay	725,436	1,481,848	2,207,284
TOTAL EXPENDITURES	<u>13,861,678</u>	<u>1,481,848</u>	<u>15,343,526</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(233,516)</u>	<u>(1,161,197)</u>	<u>(1,394,713)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	369,319	1,214,313	1,583,632
Transfers (out)	(1,213,132)	(370,500)	(1,583,632)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(843,813)</u>	<u>843,813</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	(1,077,329)	(317,384)	(1,394,713)
FUND BALANCES - JULY 1	<u>3,850,984</u>	<u>4,241,454</u>	<u>8,092,438</u>
FUND BALANCES - JUNE 30	<u>\$ 2,773,655</u>	<u>\$ 3,924,070</u>	<u>\$ 6,697,725</u>

See accompanying independent auditors report and notes to financial statements.

TOWN OF GRAY, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (1,394,713)</u>
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Amounts reported for governmental activities in the Statement of Activities
(Statement B) are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to be allocated those expenditures over the life of the assets:

Capital asset purchases capitalized	1,504,041
Capital asset disposed	-
Depreciation expense	<u>(882,945)</u>
	<u>621,096</u>

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets.	<u>(19,900)</u>
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Taxes and liens receivable	<u>19,934</u>

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets	<u>517,180</u>
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	<u>18,408</u>

Change in net assets of governmental activities (Statement B)	<u><u>\$ (237,995)</u></u>
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See accompanying independent auditor' report and notes to financial statements.

TOWN OF GRAY, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted</u>	<u>Amounts</u>	<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Positive</u> <u>(Negative)</u>
Budgetary Fund Balance, July 1	\$ 3,850,984	\$ 3,850,984	\$ 3,850,984	\$ -
Resources (Inflows):				
Property	11,091,569	11,091,569	11,068,810	(22,759)
Excise	1,258,900	1,258,900	1,266,069	7,169
Intergovernmental	479,508	479,508	581,590	102,082
Charges for services	514,530	514,530	471,980	(42,550)
Interest income	70,000	70,000	75,815	5,815
Other revenue	94,500	94,500	163,898	69,398
Transfers from other funds	244,008	244,008	369,319	125,311
Amounts Available for Appropriation	<u>17,603,999</u>	<u>17,603,999</u>	<u>17,848,465</u>	<u>244,466</u>
Charges to Appropriations (Outflows):				
Current:				
Administration services	1,046,993	1,046,993	979,234	67,759
Council, boards & committees	56,300	56,300	43,964	12,336
Public safety	811,330	811,330	781,758	29,572
Library/parks & recreation	382,291	382,291	382,107	184
Public works	2,060,007	2,060,007	1,973,067	86,940
Municipal finances	901,075	901,075	888,811	12,264
County assessment	487,078	487,078	487,078	-
Education	7,565,815	7,565,815	7,565,815	-
Community services	35,407	35,407	34,408	999
Overlay	111,925	111,925	-	111,925
Capital outlay	763,765	763,765	725,436	38,329
Transfers to other funds	1,149,601	1,149,601	1,213,132	(63,531)
Total Charges to Appropriations	<u>15,371,587</u>	<u>15,371,587</u>	<u>15,074,810</u>	<u>296,777</u>
Budgetary Fund Balance, June 30	<u>\$ 2,232,412</u>	<u>\$ 2,232,412</u>	<u>\$ 2,773,655</u>	<u>\$ 541,243</u>
Utilization of undesignated fund balance	\$ 880,000	\$ 880,000	\$ -	\$ (880,000)
Utilization of designated fund balance	738,572	738,572	-	(738,572)
	<u>\$ 1,618,572</u>	<u>\$ 1,618,572</u>	<u>\$ -</u>	<u>\$ (1,618,572)</u>

See accompanying independent auditors report.

TOWN OF GRAY, MAINE

**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
BUDGET AND ACTUAL - REVENUES
FOR THE YEAR ENDED JUNE 30, 2011**

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Taxes:				
Property taxes	\$ 11,091,569	\$ 11,091,569	\$ 11,068,810	\$ (22,759)
Auto excise	1,240,000	1,240,000	1,247,587	7,587
Boat excise	18,900	18,900	18,482	(418)
Intergovernmental revenues:				
State revenue sharing	333,000	333,000	347,181	14,181
Highway block grant	82,308	82,308	82,308	-
Tree growth	12,000	12,000	13,057	1,057
Veterans' exemption	3,400	3,400	2,685	(715)
General assistance	45,000	45,000	27,150	(17,850)
FEMA	-	-	32,520	32,520
Snowmobiles	3,800	3,800	3,370	(430)
CDBG Grant	-	-	21,428	21,428
Other grants	-	-	51,891	51,891
Charges for services:				
Clerk fees	36,475	36,475	37,449	974
Dog control	9,000	9,000	13,252	4,252
Electric fees	5,500	5,500	5,201	(299)
Plumbing fees	7,300	7,300	7,754	454
Zoning board applications	800	800	684	(116)
Planning board fees	600	600	1,260	660
Gravel pits	1,400	1,400	1,600	200
Land Use Fines	-	-	6,143	6,143
Other	130	130	72	(58)
Building fees	67,000	67,000	43,623	(23,377)
Driveway opening	150	150	50	(100)
Shoreland application fees	1,600	1,600	1,300	(300)
Rescue fees	270,000	270,000	190,164	(79,836)
Junkyard fees	75	75	50	(25)
Recycling	113,500	113,500	161,528	48,028
Tree removal	1,000	1,000	1,850	850
Interest income:				
Interest income	30,000	30,000	13,871	(16,129)
Tax interest	40,000	40,000	61,944	21,944
Miscellaneous revenues:				
Cable franchise fees	85,000	85,000	96,573	11,573
Leisure services	2,500	2,500	2,574	74
Stimson Hall Rental	6,000	6,000	6,500	500
Proceeds from sale of assets	-	-	45,469	45,469
Misc. other	1,000	1,000	12,782	11,782
Transfers from other funds	244,008	244,008	369,319	125,311
Amounts Available for Appropriation	<u>\$ 13,753,015</u>	<u>13,753,015</u>	<u>\$ 13,997,481</u>	<u>\$ 244,466</u>

See accompanying independent auditors' report.

SCHEDULE B

TOWN OF GRAY, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2011

	Balance 7/1/2010	Appropriations	Total Available	Expenditures	Transfers	Lapsed	Carried
ADMINISTRATION SERVICES:							
Administration	\$ 1,410	\$ 494,187	\$ 495,597	\$ 495,060	\$ -	\$ 537	\$ -
Community development	1,663	107,979	109,642	100,035	-	9,607	-
Assessing	4,000	95,823	99,823	99,187	-	636	-
Code enforcement	-	145,366	145,366	140,500	-	4,866	-
GIS mapping	8,556	7,950	16,506	7,530	-	6,976	2,000
General assistance	-	89,003	89,003	56,632	-	32,371	-
Elections	-	11,640	11,640	9,283	-	2,357	-
Public communications	4,817	74,329	79,146	70,046	-	1,982	7,118
Stimson Hall	-	270	270	961	-	(691)	-
Totals	20,446	1,026,547	1,046,993	979,234	-	58,641	9,118
COUNCIL, BOARDS & COMMITTEES							
Council, Boards, Committees	-	24,850	24,850	22,955	-	1,895	-
Zoning Board of Appeals	-	2,500	2,500	689	-	1,811	-
Planning Board	-	19,450	19,450	11,962	-	7,488	-
Economic development	-	9,500	9,500	8,358	-	1,142	-
Totals	-	56,300	56,300	43,964	-	12,336	-
PUBLIC SAFETY:							
Public safety services	-	642,341	642,341	619,619	-	6,146	16,576
Utilities	-	168,989	168,989	162,139	-	6,850	-
Totals	-	811,330	811,330	781,758	-	12,996	16,576

TOWN OF GRAY, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2011

	Balance 7/1/2010	Appropriations	Total Available	Expenditures	Transfers	Lapsed	Carried
LIBRARY/ PARKS & RECREATION							
Library	1,095	264,519	265,614	264,534	-	1,080	-
Parks and recreation administration	-	116,677	116,677	117,573	-	(896)	-
Totals	1,095	381,196	382,291	382,107	-	184	-
PUBLIC WORKS							
Winter roads	-	377,875	377,875	345,663	-	26,682	5,530
Summer roads	-	261,029	261,029	243,170	-	14,205	3,654
Additional roadwork	-	86,452	86,452	86,445	-	7	-
Garage	-	286,641	286,641	301,071	-	(17,489)	3,059
Recycling	-	877,361	877,361	828,908	-	47,073	1,380
Buildings and grounds	-	170,649	170,649	167,810	-	2,734	105
Totals	-	2,060,007	2,060,007	1,973,067	-	73,212	13,728
MUNICIPAL FINANCES:							
General insurance	-	191,338	191,338	179,074	-	12,264	-
Debt service	-	709,737	709,737	709,737	-	-	-
Totals	-	901,075	901,075	888,811	-	12,264	-
COUNTY ASSESSMENT							
	-	487,078	487,078	487,078	-	-	-
EDUCATION							
	-	7,565,815	7,565,815	7,565,815	-	-	-

TOWN OF GRAY, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2011

	Balance 7/1/2010	Appropriations	Total Available	Expenditures	Transfers	Lapsed	Carried
CAPITAL OUTLAY							
Recreation/Newbegin	-	-	-	4,940	-	(4,940)	-
CDBG Matches	74,283	10,001	84,284	51,623	-	32,661	-
Other grants	-	-	-	51,094	-	(51,094)	-
Library	12,328	-	12,328	362	-	-	11,966
Street Reconstruction	-	550,000	550,000	518,702	-	-	31,298
Technology	-	13,000	13,000	13,000	-	-	-
Stimson Hall	4,125	-	4,125	-	-	-	4,125
Dry Hydrants	-	2,000	2,000	2,968	-	(968)	-
Town office	1,000	-	1,000	-	1,000	-	-
Village fire station	-	7,000	7,000	5,920	1,080	-	-
Public safety equipment	-	43,500	43,500	42,611	889	-	-
Voting Machines	-	2,400	2,400	2,254	146	-	-
Transfer station	-	17,800	17,800	16,070	1,730	-	-
Bridges	22,328	-	22,328	15,892	6,436	-	-
Dry Mills School house/museum	2,000	-	2,000	-	2,000	-	-
Station #3	2,000	-	2,000	-	-	-	2,000
Totals	118,064	645,701	763,765	725,436	13,281	(24,341)	49,389
COMMUNITY SERVICES	-	35,407	35,407	34,408	-	999	-
OVERLAY	-	111,925	111,925	-	-	111,925	-

SCHEDULE B (CONTINUED)

TOWN OF GRAY, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2011

	Balance 7/1/2010	Appropriations	Total Available	Expenditures	Transfers	Lapsed	Carried
TRANSFER TO OTHER FUNDS (CONTINUED):							
Northbrook TIF	-	112,688	112,688	-	162,688	(50,000)	-
South Gray TIF	-	196,924	196,924	-	196,924	-	-
Capital Transfers	-	241,022	241,022	-	241,022	-	-
Dry Mill School	5,223	-	5,223	-	5,223	-	-
Penn Cable	73,901	-	73,901	-	73,901	-	-
Rescue/Kilby Fund	34,727	-	34,727	-	34,727	-	-
Cardiac Fund	6,668	-	6,668	-	6,668	-	-
Disaster Relief Fund	34,699	-	34,699	-	34,699	-	-
Grant Match	11,009	-	11,009	-	11,009	-	-
Library Fund - Barbara Bush	50	-	50	-	50	-	-
Subdivision Recreation Fund	129,916	-	129,916	-	129,916	-	-
Library Reserve	6,960	-	6,960	-	6,960	-	-
Library/Davis/Kim	1,217	-	1,217	-	1,217	-	-
Pennell Town Clock	17,785	-	17,785	-	17,785	-	-
Stimson Hall	22,250	-	22,250	-	22,250	-	-
Library Appeal	1,959	-	1,959	-	1,959	-	-
Gray Fire & Rescue Mem. Fund	21,870	-	21,870	-	21,870	-	-
Revaluation	68,250	-	68,250	-	68,250	-	-
GEO plan	1,919	-	1,919	-	1,919	-	-
Tomco	20,500	-	20,500	-	20,500	-	-
Library fund	21,747	-	21,747	-	21,747	-	-
Planning board escrow	51,200	-	51,200	-	51,200	-	-
S/Dugas pit reclamation	8,507	-	8,507	-	8,507	-	-
Maxwell gravel pit reclamation	12,257	-	12,257	-	12,257	-	-
Food closet	2,410	-	2,410	-	2,410	-	-
Henry Pennell Municipal Complex	29,856	-	29,856	-	29,856	-	-
Pennell Alumni Donation	7,717	-	7,717	-	7,717	-	-
Libby Recreation Scholarship	647	-	647	-	897	(250)	-
Gray Matters	334	-	334	-	334	-	-
Signs	705	-	705	-	705	-	-
Shannon Ronan Memorial Fund	2,533	-	2,533	-	2,533	-	-
Mazur Parks/Rec Memorial Fund	2,151	-	2,151	-	2,151	-	-
	<u>598,967</u>	<u>550,634</u>	<u>1,149,601</u>	<u>-</u>	<u>1,199,851</u>	<u>(50,250)</u>	<u>-</u>
TOTAL EXPENDITURES	\$ 738,572	\$ 14,633,015	\$ 15,371,587	\$ 13,861,678	\$ 1,213,132	\$ 207,966	\$ 88,811

See accompanying independent auditors' report.

TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Special Revenue Funds	Capital Projects	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash	\$ 949,593	\$ -	\$ 38,856	\$ 988,449
Investments	-	-	-	-
Due from other funds	1,213,296	1,656,634	114,218	2,984,148
Prepaid expenses	705	1,217	-	1,922
Accounts receivable	16	-	-	16
Total assets	<u>\$ 2,163,610</u>	<u>\$ 1,657,851</u>	<u>\$ 153,074</u>	<u>\$ 3,974,535</u>
LIABILITIES				
Accounts payable	\$ 835	\$ 1,056	\$ -	\$ 1,891
Accrued payroll	-	-	-	-
Deferred revenue	48,574	-	-	48,574
Due to other funds	-	-	-	-
Total liabilities	<u>49,409</u>	<u>1,056</u>	<u>-</u>	<u>50,465</u>
FUND EQUITY				
Fund balances:				
Nonspendable	705	1,217	-	1,922
Restricted	1,837,062	195,438	153,074	2,185,574
Committed	164,750	1,460,140	-	1,624,890
Assigned	111,684	-	-	111,684
Unassigned	-	-	-	-
Total fund equity	<u>2,114,201</u>	<u>1,656,795</u>	<u>153,074</u>	<u>3,924,070</u>
Total liabilities and fund equity	<u>\$ 2,163,610</u>	<u>\$ 1,657,851</u>	<u>\$ 153,074</u>	<u>\$ 3,974,535</u>

See accompanying independent auditors' report.

TOWN OF GRAY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Special Revenue Funds	Capital Projects	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Investment income	\$ 14,389	\$ 7,114	\$ 1,359	\$ 22,862
Other	297,789	-	-	297,789
TOTAL REVENUES	<u>312,178</u>	<u>7,114</u>	<u>1,359</u>	<u>320,651</u>
EXPENDITURES	<u>588,750</u>	<u>890,006</u>	<u>3,092</u>	<u>1,481,848</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(276,572)</u>	<u>(882,892)</u>	<u>(1,733)</u>	<u>(1,161,197)</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	960,010	254,303	-	1,214,313
Operating Transfers (Out)	<u>(370,500)</u>	<u>-</u>	<u>-</u>	<u>(370,500)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>589,510</u>	<u>254,303</u>	<u>-</u>	<u>843,813</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	312,938	(628,589)	(1,733)	(317,384)
FUND BALANCE - JULY 1	<u>1,801,263</u>	<u>2,285,384</u>	<u>154,807</u>	<u>4,241,454</u>
FUND BALANCE - JUNE 30	<u><u>\$ 2,114,201</u></u>	<u><u>\$ 1,656,795</u></u>	<u><u>\$ 153,074</u></u>	<u><u>\$ 3,924,070</u></u>

See accompanying independent auditors' report.

TOWN OF GRAY, MAINE

COMBINING SCHEDULE OF ACTIVITY – RECREATION FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Balance, 7/1/2010	Revenue	Expenditures	Balance, 6/30/2011
Full-Time Personnel	\$ -	\$ -	\$ 29,099	\$ (29,099)
FICA/Medicare	-	-	2,555	(2,555)
Track and Field	-	3,220	1,900	1,320
Day camp	-	55,950	28,131	27,819
Equipment	-	-	4,643	(4,643)
Ski program	-	3,170	2,408	762
Camps/clinics	-	5,781	4,139	1,642
Youth soccer	-	12,140	7,670	4,470
Youth basketball	-	4,341	1,884	2,457
Day camp/supplies/trips	-	6,464	6,961	(497)
Adult basketball	-	17,646	12,365	5,281
Newbegin rental	-	4,706	3,111	1,595
Gymnastics	-	1,560	1,092	468
Vacation day camp	-	997	541	456
Flag football	-	3,600	1,027	2,573
Junior soccer	-	3,473	1,586	1,887
Junior basketball	-	3,412	1,984	1,428
Softball tournament	-	-	130	(130)
Reach	-	29,587	17,099	12,488
Special events	-	1,257	4,113	(2,856)
Swim lessons	-	1,365	1,628	(263)
Brochures/flyers	-	-	1,712	(1,712)
Kettlebell	-	3,245	2,736	509
HoolaHoop	-	126	110	16
Day camp snack shack	-	517	477	40
ARC Babysitting	-	1,086	996	90
Photography	-	210	100	110
Donna's Greenhouse	-	168	141	27
Happy Hands	-	226	-	226
Intramurals	-	1,055	844	211
Zumba	-	1,706	1,346	360
Indoor Yard Sale	-	515	-	515
Cribbage	-	2	-	2
Scrapbook	-	175	-	175
Lacrosse	-	265	-	265
Mad Science	-	120	-	120
Soccer Skills	-	895	644	251
Boot Camp	-	1,629	920	709
Net Gains Basketball	-	89	-	89
Food Fitness	-	150	120	30
50 Forward Game Nights	-	-	9	(9)
50 Forward Speakers	-	16	6	10
Subtotal - Recreation Department Activity	-	170,864	144,227	26,637
Beginning Fund Balance	18,182	-	-	18,182
Total Recreation Department Activity	<u>\$ 18,182</u>	<u>\$ 170,864</u>	<u>\$ 144,227</u>	<u>\$ 44,819</u>

See accompanying independent auditors' report.